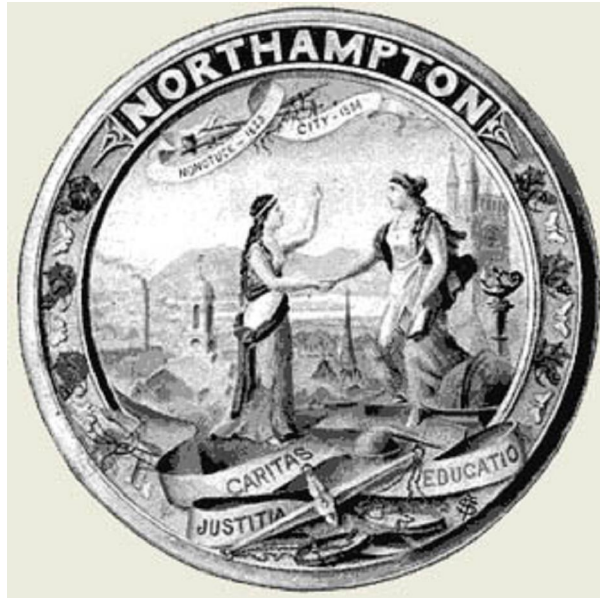


# **CITY OF NORTHAMPTON, MASSACHUSETTS HOUSING NEEDS ASSESSMENT**



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(add list attendees from our June 23<sup>rd</sup> meeting)

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# **CITY OF NORTHAMPTON HOUSING NEEDS ASSESSMENT**

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# **CITY OF NORTHAMPTON HOUSING NEEDS ASSESSMENT**

## **1. EXECUTIVE SUMMARY**

This Housing Needs Assessment represents an opportunity for the City of Northampton to fully examine the relationship between changing demographics and housing market conditions. Its purpose is to identify current and future gaps between existing programs and services and to inventory the current housing stock. This in turn will inform an analysis of local needs. This Housing Needs Assessment is also the first component of a Strategic Housing Plan that will detail housing production goals and strategies. These goals and strategies will provide guidance regarding the allocation of available funding, recommend amendments of existing zoning, and suggest partnerships with housing developers and service providers to meet the identified needs to the greatest extent possible. The City is fortunate to have a number of local and regional housing organizations and agencies that will continue to play major roles in the City's future housing agenda. (not sure I got the changes right.)

Northampton has embarked on a number of important planning efforts during the past several years, most recently the Sustainable Northampton Comprehensive Plan, completed in January 2008. This Plan articulated that the guiding principle related to affordable housing was to "support a wide variety of housing types that increase rental and homeownership units to create and preserve a range of affordability and choice in housing options". The Comprehensive Plan also included specific strategies for meeting these objectives that will be discussed as part of this planning process.

Following a brief introduction to this planning effort, Section 3 of this Housing Needs Assessment provides substantial detail on past, current and projected demographic and housing characteristics and trends. A summary of these characteristics in comparison to Hampshire County and the state is included in Table 1-1. This information shows, with some exceptions, how closely aligned Northampton is as a whole to the overall characteristics of the county, with more sizable differences from the state. It should also be noted that Appendix 1 provides this same information for those areas of Northampton that include substantial portions of low- and moderate-income households and are thus eligible for Community Development Block Grant (CDBG) funding.

The information from Table 1-1 shows the following major trends:

- *Population Growth – Small recent declines and slow future growth*  
The population in 2000 was 28,978 in Northampton and the 2007 estimates from the U.S. Census Bureau's American Community Survey project a loss of 560 residents for a population of 28,418, a 2% decrease. Northampton's Office of Planning and Development projects that the city's population will be relatively stable over the next 20 years and will be 28,500 residents, plus or minus 1,500, by 2030. Hampshire County, however, experienced an increase in population according to projections through 2008, gaining 2,732 residents for a total population count of 154,983, representing 1.8% in growth. The state's 2000 population of 6,349,097 is estimated to have increased to 6,497,967 by 2008, an increase of 148,870 residents or 2.3%.

**Table 1-1**  
**Summary of Demographic and Housing Characteristics for**  
**Northampton, Hampshire County and the State**  
**2000/2008**

Characteristics	Northampton		Hampshire County		Massachusetts	
Household Characteristics						
	2000 Census	2007 Estimate*	2000 Census	2008 Estimate*	2000 Census	2008 Estimate*
Total population	28,978	28,418	152,251	154,983	6,349,097	6,497,967
% less than 18 years	17%	16.1%	19.6%	16.1%	23.6%	22.0%
% 20 to 34 years	24.4%	29.1%	24.1%	26.2%	21.0%	19.8%
% 35 to 44 years	15.8%	13.8%	15.0%	11.9%	16.7%	14.7%
% 45 to 54 years	16.3%	13.9%	14.6%	13.9%	13.8%	15.4%
% 55 to 64 years	7.7%	12.5%	7.6%	12.2%	8.6%	11.6%
% 65 years or more	13.8%	11.1%	12.0%	12.1%	13.5%	13.4%
Median age	37.3 years	36 years	34.4 years	35 years	36.5 years	38.7 years
% non-family households	50.5%	55.3%	39.6%	40.2%	36%	36.4%
Average household size	2.14 persons	2.12 persons	2.39 persons	2.31 persons	2.51 persons	2.33 persons
Median income	\$41,808	\$45,760	\$46,098	\$63,732	\$50,500	\$65,401
Individuals in poverty	9.8%	13.6%	9.4%	10.4%	9%	9.7%
% earning less than \$25,000	28.2%	25.8%	23.6%	19.4%	24.6%	19.8%
% earning more than \$100,000	11.8%	17.0%	12.4%	24.3%	17.7%	30.2%
Housing Characteristics						
Total housing units	12,405	12,717	58,644	61,859	2,621,989	2,735,645
% occupied housing	95.8%	95.2%	95.5%	95.2%	93.2%	90.2%
% owner-occupied	53.5%	55.8%	65.0%	67.6%	61.7%	64.5%
% renter-occupied	46.5%	44.2%	35.0%	32.4%	38.3%	35.5%
% single-family, detached structures	46.2%	46.2%	60.5%	63.2%	52.4%	52.9%
Median sales price	\$144,600	\$248,700 (\$227,000 5/09)	\$142,400	\$261,500	\$185,700	\$353,600

Source: Data for the above table is derived from the 2000 census, and updated estimates have been incorporated. \* The numbers for the County and state are updated census projections based on the 2008 American Community Survey unless otherwise noted. The estimates for Northampton are from the 2007 American Community Survey as 2008 figures are only available for places with populations of at least 65,000.

- *Age Distribution – Decreases in children and the aging of the population*

The distribution of residents among various age ranges is for the most part quite similar to that of Hampshire County. Of particular note are the lower portion of children under the age of 18, 17% in Northampton compared to 19.6% for the county and 23.6% for the state in 2000. The 2007 and 2008 estimates for Northampton and the County, respectively,<sup>1</sup> project continued decreases

<sup>1</sup> 2008 estimates from the American Community Survey are only available for places with populations of at least 65,000.

of this population across the board, generally reflective of national trends towards smaller households and fewer children.

Northampton and Hampshire County have had a greater proportion of young adults, those age 20 to 34, who are entering the labor force and forming their own households, approximately 24% for both the city and the county versus 21% for the state. Census projections suggest that this age group is growing in Northampton and Hampshire County but declining statewide. The growth of this age group is a positive sign as it suggests that the community has adequate employment opportunities and a sufficiently appealing quality of life to attract younger workers and professionals, even retaining the talents of the area's college graduates. However, Northampton is also believed to draw some transient younger adults who lack sufficient work and life skills as well.

According to more recent census estimates, those in the middle years of 35 to 54, are declining in proportion to the population in Northampton. Residents 35 to 44 years represented about 15% of the city and county's population, with the state's level only a bit higher at 16.7%. Projections suggest that this age group is declining, in Northampton's case to 13.8%, 11.9% for the county. Northampton had a higher percentage of those age 45 to 54, 16.3% as opposed to 14.6% and 13.8% for the county and state, respectively. Population estimates suggest that this age cohort has also decreased in Northampton and the county but has grown somewhat in the state. This loss leads to questions related directly to the affect of Northampton's high housing costs on the relocation of these residents and their families to other cities or more rural or suburban communities.

Those 55 to 64 comprised a relatively small portion of the city, county and state's population, 7.7%, 7.6% and 8.6%, respectively, but are estimated to have increased since 2000. On the other hand, seniors age 65 or over were estimated to have decreased somewhat in Northampton, going from 13.8% of the total population to 11.1%, as opposed to rather flat growth for the county and the state at levels of about 12% and 13%, respectively. The Nielsen Claritas proprietary data source suggests however that seniors will increase in Northampton to 16.6% of the population by 2014.

- *Types of Households –Growing number of non-family households*  
About half of Northampton's households were comprised of non-family households in 2000, and census estimates anticipate the continued growth of these households comprised of single individuals or unrelated household members. This level of non-family households is considerably greater than the county's at 39.6% and the state's at 36%. It also suggests the need for more diverse housing options for smaller and less traditional households.
- *Incomes – Somewhat lower income levels*  
The 2000 median income in Northampton was lower than that for the county and state, \$41,808 versus \$46,098 and \$50,500, respectively. The 2007 and 2008 projections for the city and county and state, respectively, are \$45,760, \$53,170 and \$61,785, representing increases of 9.4%, 15.3%, and 22.4%, also respectively. Additionally, the percentage of those earning less than \$25,000 annually was higher in Northampton, 28.2% versus 23.6% for the county and 24.6% for the state, expected to decrease by three or four percentage points for each. The level of those living in poverty was only a bit higher in Northampton, 9.8% as opposed to 9.4% and 9.0% for the county and state, respectively. Poverty levels were expected to increase across the board, but at a higher rate in Northampton, expected to have jumped to 13.6% as of 2007. At the other end of the income range, Northampton had a lower percentage of residents earning more than \$100,000, 11.8% versus 12.4% for the county, both below the state level of 17.7% in 2000. These levels

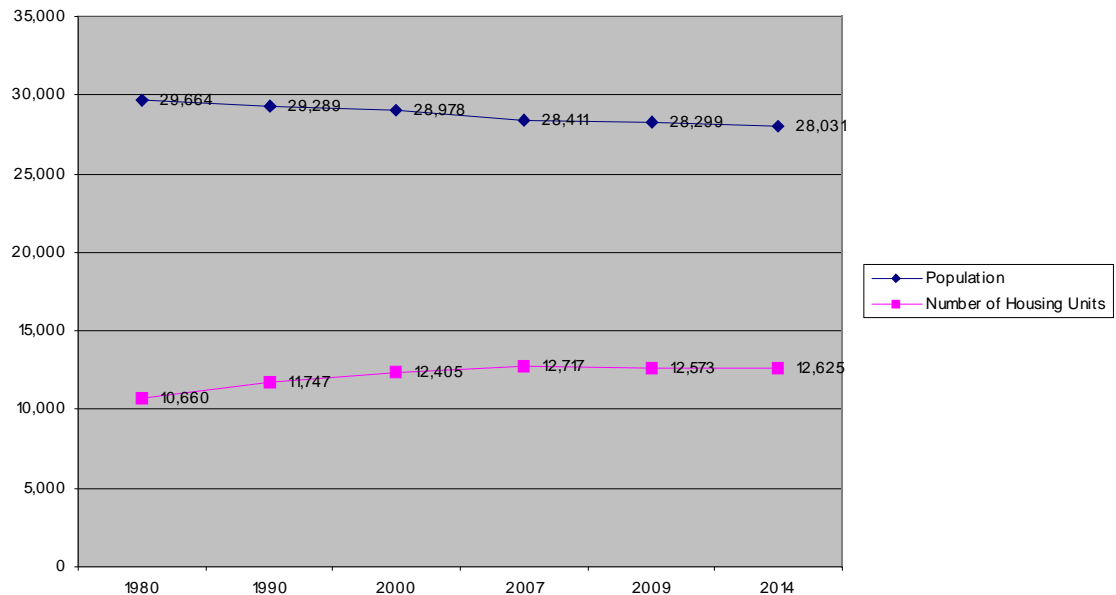
were expected to have increased dramatically as of 2007 or 2008, to 17% for Northampton, 24.3% for Hampshire County and 30.2% for the Commonwealth.

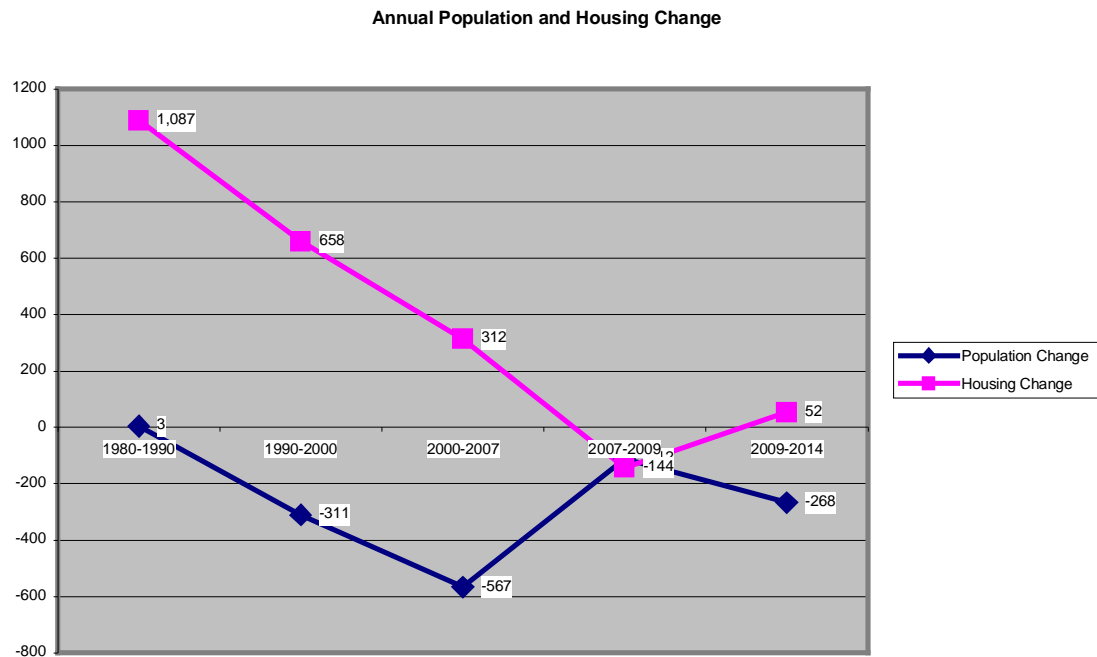
- Types of Housing – About half and half rental and owner-occupied housing*

Northampton had a higher occupancy level than the county and state in 2000, at 95.2% as opposed to 93.5% and 90.4%, representing a lower vacancy rate. Estimates suggest similar levels, with only a small decline for the state. Northampton's housing stock included substantially more rental units, however, with 46.5% of units being renter-occupied while the county and the state had 35% and 38.3% renter-occupancy levels, respectively, based on 2000 data. The 2007 and 2008 estimates point to reductions in rental-occupancy, suggesting that new housing growth has focused on owner-occupied units and the likely conversion of some rental units to owner-occupancy, which is confirmed by building permit data.
- Housing Growth – Slow but steady growth*

According to the census estimates, Northampton gained 312 new housing units between 2000 and 2007, a 2.5% increase, and building permit data indicates that almost 450 new units were added to the housing stock between 2000 and July 2009, suggesting continued growth. As the charts below show, which are based on a combination of census and Nielsen Claritas projections, housing growth, while slowing, has occurred despite some small declines in population, reflecting increasing numbers of smaller households. For example, the second table shows that between 2000 and 2007, the City's population declined by 567 residents, while housing growth during this same period was approximately 312 units.

**Population and Housing Growth**





- *Housing Market Conditions – Prices remain fairly high despite the poor economic climate but slow-down in number of sales*

In regard to 2000 median house prices, Northampton had somewhat higher market values than the county – a median price of \$144,600 versus \$142,400, but lower than the state at \$185,700. Since that time housing prices soared and then more recently softened somewhat. Census projections suggest median values of \$248,700 for Northampton (2007), \$261,500 for the county and as much as \$353,600 for the state (2008). More recent data from The Warren Group, indicate that the median sales price of a single-family home as of the end of 2008 was \$250,000, and was down to \$227,000 by the end of May 2009. The volume of sales has been significantly down however. The May 2009 median condo price dove to \$139,900 from \$202,700 as of the end of 2008, but increased somewhat to \$165,300 by the end of July. While prices and interest rates have been declining and making housing more affordable, the ability to obtain financing has become increasingly more challenging providing a significant constraint to those entering the housing market. The Valley CDC indicates that the federal \$8,000 subsidy to first-time purchasers, available until the end of November 2009, has proven to be an effective incentive for many new homebuyers.

As to the affordability of this housing, using the median single-family home price as of July 2009 of \$295,000, a household would have to earn \$80,000 if they were able to access 95% financing. If they could afford a 20% down payment, an income of \$68,500 would be required. The median condo price of \$165,300 in July 2009 required an income of \$54,800 with 5% down and \$47,500 with the 20% down payment. These prices are within the range of those earning at about median income.

In regard to the rental market, in 2000 about 60% of the city's rental units were renting in the \$500 to \$1,000 price range, the median at \$647.<sup>2</sup> Since then rental prices have increased

<sup>2</sup> It is also important to note that the census rents also include subsidized units.



significantly and the lowest rent advertised on Craig's List in September 2009 was \$850 for a one-bedroom unit requiring first and last month's rent up-front plus a security deposit. Assuming \$100 per month in utility bills and housing expenses of no more than 30% of the household's income, this rent would require an income of \$38,000. Someone earning the minimum wage of \$7.25 for 40 hours per week and every week during the year would still only earn a gross income of \$15,080. Households with two persons earning the minimum wage would still fall very short of the \$38,000 income. While there are clearly rental units renting for less than \$850, a strong rental housing market has pushed going rents well beyond the means of many, including most low- and moderate-income individuals and families. Housing subsidies are becoming increasingly important. Moreover, condo conversions and student demand for housing have exerted additional pressures on a tight rental housing market.

### **Priority Housing Needs**

Based on input from a wide variety of sources (i.e., visioning analysis during the Sustainable Northampton Master Plan process, the development of Northampton Vision 2020 and the Grow Smart Northampton Plan, Executive Order 418 certification process, Three County Continuum of Care Goals and Objectives, consultations with service providers, feedback from public forums), the following priority housing needs have been identified that reflect the continuum of housing opportunities that should be provided:

#### *Homelessness Prevention*

The Tenancy Preservation Program, special federal funding such as the Homelessness Prevention and Rapid Re-housing Program (HPRP), tenant and landlord mediation efforts, regional networks for rapid re-housing, and other housing stabilization programs are highly effective ways to preserve housing for those at-risk of homelessness. As the *All Roads Lead Home Plan* states, "Prevention must be a key part of our strategy, because it is humane, cost-effective, and critical to ending homelessness".<sup>3</sup>

#### *Emergency and Transitional Shelters and Rapid Re-housing*

For those who become homeless, Northampton does have a number of emergency and transitional shelters that are listed in Section 3.2.6. These temporary shelters have reflected a crisis management response to helping the homeless, saving many lives. Once in the shelter system, agencies and organization have focused on providing services and programs to move these individuals and families into permanent housing. Northampton's HUD Consolidated Plan indicates that wait lists for the City's shelters continue to grow, however.

While no one is suggesting that the shelter system be immediately dismantled, there has been a shift from focusing all resources on crisis management to preventing homelessness by immediately providing housing with wrap-around services as needed through a rapid response Housing First model that has proven effective in other places around the country. "Housing First" is an alternative to the current emergency and transitional shelter system of providing temporary housing for the homeless and is premised on the belief that vulnerable and at-risk homeless families and individuals are more responsive to interventions and social service support *after they are in their own housing*, rather than while living in temporary facilities.

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<sup>3</sup> "All Roads Lead Home: The Pioneer Valley's Plan to End Homelessness", supported by the cities of Holyoke, Northampton and Springfield, MA, and funding from One Family, Inc. for the Pioneer Valley Committee to End Homelessness (PVCEH), February 2008, page 2.

*Producing and Preserving Affordable Housing*

Finally, the City needs to focus on increasing the supply of affordable housing at a variety of levels of affordability, including both rental and homeownership options. Many of the existing affordable units are included in the Subsidized Housing Inventory summarized in Table 3-33 or rented on the private market through rental subsidy programs that make up the difference between a fair market rent and what a low- or moderate-income household can afford. It should be noted, however, that those with Section 8 housing vouchers, or with rental subsidies from other comparable programs, have experienced difficulties in finding suitable housing in the private market because of high rents. In fact, about half of those who experience evictions have housing subsidies that they have been unable to use.

The City's HUD Consolidated Plan presents housing needs related to housing the homeless as well as increasing the supply of affordable, permanent housing<sup>4</sup> units for various levels of affordability that include the following, with some minor changes, in order of priority. It should be noted that specific strategies and production goals to meet these needs will be detailed in the Affordable Housing Plan that will incorporate this Housing Needs Assessment.

1. *Rental Housing for Individuals*

There is a clear need for enhanced SRO units or one-bedroom units for those with lower-paying jobs who are encountering serious difficulty finding housing that they can afford in Northampton. The Northampton Housing Partnership has undertaken a series of interviews with housing providers and those serving the homeless since 2005, including a meeting on June 23, 2009 as important input into this Housing Needs Assessment. Through these discussions, new Single Room Occupancy (SRO), providing single rooms for individuals, and the Safe Haven Program, offering housing for the chronically homeless mentally ill, were identified to be most needed for those homeless, formerly homeless or those very low-income individuals in search of more affordable and appropriate units in Northampton. Additionally, condo conversion activity and student demand for rental housing have further eroded the available rental housing stock even when priced more affordably.

2. *Housing Rehabilitation Resources*

Many low- and moderate- income homeowners lack sufficient resources to properly maintain their homes and address substandard housing conditions. Improvements should incorporate modifications to improve handicapped accessibility and eliminate lead-based paint in addition to housing code violations.

3. *Preservation of the Existing Affordable Rental Stock*

The preservation of existing affordable rental units is essential to maintaining an affordable housing stock well into the future. This rental housing, including both units that are subsidized and in the private housing market, is more cost effective to rehabilitate and maintain than to build new. Moreover, efforts are needed to maintain affordability restrictions on subsidized housing in perpetuity to the greatest extent possible, so as not to lose affordability based on expiring use restrictions.

4. *Rental Housing for Small Families*

There is also a significant need to house small families, those two- to four-person households that are increasingly including single parents with children as well as unrelated individuals. There are

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<sup>4</sup> "Permanent housing" refers to units that are created for year-round use where the terms of occupancy are granted through a lease, in the case of rental housing, or a title/deed, in the case of homeownership.

substantial numbers of two-person households with unmet housing needs as such households are now estimated to comprise almost 4,000 households, or about one-third of all households, yet smaller housing units are in short supply.

5. *First-time Homeownership for Small Families*

Market conditions have placed the purchase of homes beyond the financial means of low- and moderate-income households. Infill development and the redevelopment/reuse of existing properties in partnership with non-profit organizations and private builders offer the best options for increasing first-time homeownership opportunities in Northampton.

6. *Housing for At Risk and Special Needs Populations*

Housing should continue to be developed to serve those who are at risk of homelessness and/or have special needs that require supportive services as part of the Continuum of Care, providing stable and affordable opportunities for those transitioning out of shelters or special programs as well as rapid response units needed in the Housing First approach to ending homelessness.

7. *Look Beyond Traditional Housing Models*

The Sustainable Northampton Comprehensive Plan suggests that the City look beyond more traditional models of housing development, including affordable housing, to promote alternative living options to meet a variety of local needs. Such models might include, but are not limited, to the following:

- Mixed-income developments that incorporate two (2) or more income tiers to accommodate different affordability levels, including potentially workforce units that serve those earning between 80% and 120% of area median income, and even market units to help cross-subsidize the affordable ones.
- Housing that allows occupants to both live and work in their units, which is particularly responsive to the needs of Northampton's community of artists.
- Options for detached housing, such as cottage housing developments, to increase density in designated locations and serve the community's increasing smaller households.
- Green and sustainable design alternatives that reduce ongoing operating and maintenance costs and thus contribute to housing affordability.

## 2. INTRODUCTION

Northampton is a culturally and economically diverse community located within the heart of the five-college area of the Pioneer Valley in Western Massachusetts. Home to Smith College, Northampton also serves as the county seat for Hampshire County. It is located at the intersection of a major east-west state highway, Route 9, which links Amherst and the University of Massachusetts with Northampton and the hilltowns to the west. Northampton is also located in the north-south corridor of Interstate 91, bordered by Easthampton to the south, Westhampton to the west, Williamsburg and Hatfield to the north, and separated from Hadley by the Connecticut River to the east.

The City of Northampton was settled in 1654 and now includes almost 36 square miles. The City is comprised of a lively downtown and several village centers, which are focal points for outlying residential neighborhoods. The community has a diverse economic base consisting of a strong retail and commercial sector as well as a manufacturing sector that includes a mix of traditional manufacturers and innovative industries.

The vibrant small city atmosphere in Northampton is enhanced by numerous cultural attractions and natural resources including the only municipally owned theater in the Commonwealth, two hospitals (Cooley Dickenson and a VA Medical Center), Smith College, the Clarke School for the Deaf, the Connecticut River, rich agricultural and conservation land as well as many active and passive recreational opportunities. The city has also been strongly influenced by nearby Amherst College, Hampshire College, Mount Holyoke College and the University of Massachusetts as part of the five-college system in the region, promoting a more cosmopolitan community, and attracting many young people to the community. In fact, the City has been described as being an “intentional” place to live, drawing residents who are particularly interested in living in a place with an emphasis on environmentalism and wellness, a strong urban core with easy access to rural recreational amenities and a stunning physical landscape, an active gay and lesbian community, historic architecture, particularly Victorians, and a strong cultural heritage.

While these impressive cultural, economic and natural assets promote a rich quality of life, Northampton is nevertheless confronted with substantial challenges such as:

- Not only has the City been losing some population, but housing, despite the current economic slump, is on average expensive and beyond the means of most low- and moderate-income households. Moreover, housing costs are increasing given higher utility and tax bills as well as more expensive terms and conditions for accessing mortgage financing (20% down payments) or renting a unit (first and last month's rent, security deposit, broker fees).
- There are homeless individuals and families that need safe, decent and affordable housing, and seniors with fixed incomes that have limited housing options in the community.
- While college students add to the vitality of the community, they also put pressures on the local housing market and make finding rental units more challenging for long-term, year-round residents.
- The VA Hospital is an important local medical service provider, but it also draws those with substantial health needs, including substance abuse problems, to the area who require additional levels of service support.
- Northampton is believed to be a particular draw for homeless youth.

- The former Northampton State Hospital has provided a wonderful opportunity for mixed-use and mixed-income development, including affordable housing, but it also presented challenges when deinstitutionalization and its closing occurred, remnants of which the community is still confronting and trying to resolve.
- The strong housing market has prompted property owners to convert their properties to condominiums, thus eroding the supply of important rental units, only recently curtailed by a struggling condo market.
- Student demand for rental housing, particularly in or near the downtown, has put additional burdens on an already tight rental housing market.
- While more than 10% of the City's housing stock is defined as affordable according to the state's Chapter 40B definition, Northampton is likely to lose some of these units in the future due to expiring affordability restrictions.

### **Purpose of the Project**

This Housing Needs Assessment examines the issue of housing in Northampton, particularly housing affordability, to present a documented snapshot of current conditions and trends as well as projected future conditions. It also looks at the gaps between what housing is available to serve local residents and what is required to meet community needs, including a review of local, regional and state resources to support these needs, new affordable housing unit creation in particular. This Housing Needs Assessment in fact reflects a recommendation included in the City's Comprehensive Plan to identify market pressures and conditions that restrict affordable housing. The second part of this planning effort, the Affordable Housing Plan, will meet additional recommendations in the Comprehensive Plan such as the advance of options to increase the production of affordable housing, including zoning incentives and gap financing, and to develop a list of innovative funding mechanisms to keep the costs of housing affordable to provide to all housing developers.

### **What is Affordable Housing?**

There are a number of definitions of affordable housing as federal and state programs offer various criteria. For example, HUD generally identifies units as affordable if gross rent (including costs of utilities borne by the tenant) is no more than 30% of a household's income (with a small deduction for each dependent, for child care, for extraordinary medical expenses, etc.) or if the carrying costs of purchasing a home (mortgage, homeowners association fees, property taxes and insurance) is not more than typically 30% of income. If households are paying more than these amounts, they are described as experiencing housing affordability problems; and if they are paying 50% or more for housing, they have severe housing affordability problems and heavy cost burdens.

Affordable housing can also be defined according to percentages of median income for the area.<sup>5</sup> Housing subsidy programs can be targeted to particular income ranges depending upon programmatic goals. Extremely low-income housing is directed to households with incomes at or below 30% of area median income as defined by the U.S. Department of Housing and Urban Development (\$20,950 for a family of three for the Springfield area) and very low-income is defined as households with incomes less than 50% of area median income (\$34,900 for a family of three). Low- and moderate-income generally refers to the range between 50% and 80% of area median income (\$55,900 for a family of three at the 80% level). These income levels are summarized in Table 2-1.

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<sup>5</sup> It should be noted that the Springfield SMSA data does not accurately reflect income/housing costs for Northampton due to higher housing costs than Springfield's and other nearby cities.

**Table 2-1**  
**2009 Income Levels for**  
**Affordable Housing in the Springfield Area**

# Persons in Household	30% of Median Income	50% of Median Income	80% of Median Income	120% of Median Income
1	\$16,300	\$27,150	\$43,450	\$65,160
2	18,650	31,050	49,700	74,520
3	20,950	34,900	55,900	83,760
4	23,300	38,800	62,100	93,120
5	25,150	41,900	67,050	100,560
6	27,050	45,000	72,050	108,000
7	28,900	48,100	77,000	115,440
8	30,750	51,200	81,950	122,880

**2009 Median Household Income for the Springfield Metropolitan Statistical Area (MSA) = \$67,200**

The state established legislation for promoting affordable housing under Chapter 774 of the Acts of 1969, creating the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B).<sup>6</sup> This legislation allows developers to override local zoning if the project meets certain requirements and the municipality has less than 10% of its year-round housing stock defined as affordable under the 40B Subsidized Housing Inventory (SHI). In calculating a community's progress toward the 10% Chapter 40B goal, the state counts a housing unit as affordable if it is created by state or federal programs that support low- and moderate-income households earning at or below 80% of area median income. Specifically, all SHI units must meet the following criteria:

1. Subsidized by an eligible state or federal program.
2. Subject to a long-term deed restriction limiting occupancy to income eligible households for a specified period of time (at least 30 years or longer for newly created affordable units, and at least 15 years for rehabilitated units).
3. Subject to an Affirmative Fair Housing Marketing Plan.

Based on the Massachusetts Department of Housing and Community Development's most recent data on Northampton's supply of affordable housing included in the state's Subsidized Housing Inventory, the City had 12,282 year-round housing units, of which 1,452 are currently counted by the state as affordable, representing 11.8% of the year-round housing stock. Planned development should push Northampton beyond the 12% threshold. The City is well over the 10% state affordability goal at this time, but housing growth since 2000 and through 2010 will likely increase the year-round housing stock to almost 13,000 units. *Northampton's current inventory of affordable units, however, will still surpass the 10% state target assuming no significant loss of affordable units given expiring affordability restrictions.*

Additionally, most state-supported housing assistance programs are targeted to households earning at this same level, at or below 80% of area median income, however, others, particularly rental programs, are directed to those earning at lower income thresholds. For example, the Low Income Housing Tax Credit

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<sup>6</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Program that subsidizes rental units are targeted to households earning up to 60% of median income. First-time homebuyer programs typically apply income limits of up to 80% of area median income. It is worth noting that according to the 2000 census, 4,577 households or 38.5% of Northampton's total households would have been income-eligible for affordable housing using the 80% of area median income criterion without consideration of financial assets.

The Community Preservation Act allows Community Preservation funding to be directed to those within a somewhat higher income range – 100% of area median income – now commonly referred to as “community housing”. Additionally, some housing developments incorporate several income tiers. For example, one project could combine units for those earning at or below 80% of area median income, moderate-income “workforce” units for those earning between 80% and 120% of median income (see income levels in Table 2-1), and even some market rate units to help cross-subsidize the more affordable ones. A rental project might include a couple of tiers below the 80% level in addition to workforce and/or market rate units. It should be noted, however, that those units that involve occupants with incomes higher than 80% of area median income, while still serving local housing needs, will not count as part of the Subsidized Housing Inventory unless they are part of a Chapter 40B rental development where 100% of the units would qualify for inclusion in the SHI if at least 25% meet 40B guidelines.

### 3. HOUSING CHARACTERISTICS AND NEEDS

This Housing Needs Assessment presents an overview of the current housing situation in the City of Northampton, providing details on demographic and housing characteristics and trends, analyzing market conditions and challenges to creating affordable housing, identifying priority housing needs, and summarizing local and regional resources to meet these needs.

#### 3.1 Demographic Profile

It is important to closely examine social and economic characteristics, particularly past and future trends, in order to obtain an understanding of the composition of the population and how it relates to housing needs. Northampton's Office of Planning and Development has identified five (5) significant demographic trends that over the past half century have had a role in shaping the city including:

1. Significant decrease in the group quarters population with the closing of the Northampton State Hospital. The population of those living in group quarters has stabilized and is unlikely to increase significantly in the future.
2. Population stability since the mid-20<sup>th</sup> Century, decreasing slightly over the past 20 years.
3. Substantial increase in smaller families, more non-family households and more single-person households.
4. Significant increase in the median age and a decrease in those ages 24 to 45.
5. Fewer children and thus smaller school-aged population.

Data on many of these important trends is summarized in Table 3-1, which highlights the continued decrease in those living in group quarters, from 21% in 1960 to 12% in 2000, with only a small estimated increase to 13% in 2007. The Table also presents the dramatic decrease in the average number of persons per household or housing unit, from 3.25 persons in 1950 to 2.14 in 2000, estimated to remain the same by 2007. Consequently, Northampton has an increasing need to serve smaller households including single persons.

**Table 3-1**  
**Population Changes**  
**1950 Through 2007**

	1950	1960	1970	1980	1990	2000	2007
Population	29,063	30,008	29,664	29,286	29,289	28,978	28,411
Household Population	--	23,692 (79.0%)	24,133 (81.4%)	25,007 (85.4%)	25,442 (86.9%)	25,376 (87.6%)	24,680 (86.9%)
Group Quarters	--	6,316 (21.0%)	5,511 (18.6%)	4,279 (14.6%)	3,867 (13.2%)	3,602 (12.4%)	3,731 (13.1%)
Ave. Household Size	3.25	3.00	2.82	2.86	2.28	2.14	2.14

Sources: US. Decennial census and the Census Bureau's American Community Survey.

Additional demographic data will be presented in Section 3 that will have other affects on social and economic issues and future planning for new housing including but not limited to the following:

- What are the relative increases and decreases of various age groups and the ramifications for greater housing choices?
- What changes in income levels have occurred and how does this relate to housing affordability?
- What particular areas of the city have higher levels of need, both in terms of their residents and housing stock?



- What are the variations in household size and types of households that suggest unmet or greater housing needs?
- What part of the population is disabled or has other special needs that suggest the need for supportive services?

These and other social and economic issues are discussed in the following section.

### **3.1.1 Population and Types of Households**

As noted above, Northampton's population has been relatively stable for 60 years and remains so despite recent mild declines, decreasing by 1% since 1980, from 29,286 to 28,978 residents by 2000 as documented in Tables 3-1 and 3-2. This small decrease has continued as the 2009 population is estimated to be 28,299 and projected to be only slightly less at 28,031 by 2014, noted in Table 3-3, demonstrating continued relative population stability.<sup>7</sup> Northampton's Office of Planning and Development projects that the city's population will be about 28,500 by 2030, plus or minus 1,500, predicting continued population stability well into the future. Projections from the Massachusetts Institute for Social and Economic Research (MISER) predict some small increases in the population with up to 29,136 residents by 2020.

Despite the more recent subtle population loss, the number of households increased by 16% from 10,277 in 1980 to 11,880 in 2000 when the average household size decreased from 2.45 person to 2.14 persons. This is correlated to the increasing number of typically smaller, non-family households<sup>8</sup>, which went from 3,980 in 1980 to 6,002 in 2000, going from about 40% to 50% of all households living in Northampton.

**Table 3-2**  
**Key Demographic Characteristics, 1980-2000**

	<b>1980</b>		<b>1990</b>		<b>2000</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Total Population</b>	29,286	100.0	28,289	100.0	28,978	100.0
<b>Total Households</b>	10,227	100.0	11,164	100.0	11,880	100.0
<b>Family Households***</b>	6,247	61.1	6,019	53.9	5,878	49.5
<b>Non-family Households***</b>	3,980	38.9	5,145	46.1	6,002	50.5
<b>Female Headed Families ***</b>	1,095	10.7	1,176	10.5	1,200	10.1
<b>Average Household Size</b>	2.45 persons		2.28 persons		2.14 persons	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 1

\* Percent of total population

\*\* 1990 data for those 20 years and under and percent of total population \*\*\* Percent of all households

Projections indicate that the number of households will continue to increase somewhat despite some minor fall-off in population with the proportion of families and non-families each remaining about half of all households through 2014. The number of female-headed households with children has remained about the same since 1980 at about 10% of all households.

<sup>7</sup> Nielsen Claritas, Inc., 2009.

<sup>8</sup> Includes individuals and unrelated household members.

**Table 3-3**  
**Types of Households**  
**2000, 2009 Estimates and 2014 Projections**

	<b>2000 Census</b>	<b>2009 Estimate</b>	<b>2014 Projection</b>
<b>Population</b>	28,978	28,299	28,031
Percent Change		-2.34%	-0.95%
<b>Households</b>	11,880	12,012	12,064
Percent Change		1.11%	0.43%
<b>Families</b>	5,878	5,926	5,944
Percent Change		0.82%	0.30%
<b>Non-Family Households</b>	6,002	6,086	6,120
Percent Change		1.40%	0.56%
<b>Housing Units</b>	12,405	12,573	12,625
Percent Change		1.35%	0.41%
<b>Group Quarters Population</b>	3,602	3,445	3,371
Percent Change		-4.36%	-2.15%
<b>Average Household Size</b>	2.14	2.07	2.04
Percent Change		-3.13%	-1.21%

Source: Nielsen Claritas, Inc. 2009.

Table 3-4 examines the types of households by household size. The average household size of 2.14 people per dwelling unit in 2000 is projected to decrease still to 2.04 by 2014, driven by decreases in family size, the numbers of children and more “traditional” families, and increases in “child-free” and “child-delayed” families, especially increases in empty nesters and senior and frail populations. Single-person households comprised a substantial portion of the population, about 37% of all households and 74% of non-family households in 2000, and are projected to continue to increase in number and in proportion to all households. Certainly these numbers take into account the population housed in group quarters including about 2,300 Smith College students as well as about 1,100 institutionalized individuals living in correctional institutions (245), nursing homes (675), and the VA Hospital (112). Nevertheless, there still remains approximately another thousand single-person households that rely on the existing housing stock, and while there are an estimated 4,891 such households living in Northampton, there were only 2,630 housing units with three (3) or fewer rooms.

It should also be noted that half of all residents over 65 lived alone. Moreover, almost half of the households with children were headed by one parent (82% of these involved unmarried parents or single mothers) suggesting a compelling need for affordable family housing for families with only one income.

*This data suggests a pressing need for a greater number of smaller units to accommodate a growing population of single-person households.* This need was confirmed by a meeting of housing providers on June 23, 2009. Participants suggested that there was a substantial need for enhanced SRO units for the chronically homeless to transition into, for those leaving correctional institutions, for those graduating from foster care, and low wage earning adults. These groups have encountered increasing difficulties in finding safe, decent and affordable housing in Northampton. Additionally, many of these individuals

need supportive services that will enable them to live independently and become contributing members of the community at large.

There are also substantial numbers of two-person households with unmet housing needs as such households are now estimated to comprise almost 4,000 households, or about one-third of all households, yet smaller housing units are in short supply as presented in Table 3-17.

**Table 3-4**  
**Types of Households by Size**  
**2000, 2009 Estimates and 2014 Projections**

<b>Households by Type and Size*</b>						
<b>Non-family Households</b>	<b>6,002</b>		<b>6,086</b>		<b>6,120</b>	
1-person household	4,431	73.8%	4,757	78.2%	4,891	79.9%
2-person household	1,266	21.1%	1,076	17.7%	1,000	16.3%
3-person household	206	3.4%	176	2.9%	160	2.6%
4-person household	78	1.3%	59	0.1%	51	0.8%
5-person household	11	0.2%	10	0.2%	11	0.2%
6-person household	7	0.1%	7	0.1%	6	0.1%
7 or more person household	3	0.05%	1	0.02%	1	0.02%
<b>Family Households</b>	<b>5,878</b>		<b>5,926</b>		<b>5,944</b>	
2-person household	2,709	46.1%	2,853	48.1%	2,904	48.9%
3-person household	1,463	24.9%	1,519	25.6%	1,535	25.8%
4-person household	1,169	19.9%	1,094	18.5%	1,067	18.0%
5-person household	398	6.8%	350	5.9%	337	5.7%
6-person household	105	1.8%	91	1.5%	87	1.5%
7 or more person household	34	0.6%	19	0.32%	14	0.2%

Source: Nielsen Claritas, Inc. 2009.

### **3.1.2 Race and Immigrant Information**

Table 3-5 and Figure 3-1 both present data on the racial distribution of the population in Northampton. While the number and percentage of minority residents has increased significantly, from 950 residents in 1980 to 2,895 in 2000, they still were only 10% of the population in 2000, a relatively small level in comparison to other cities in Massachusetts. About half of the minority residents in 2000 described themselves as Latino or Hispanic. Estimates for 2009 and projections for 2014 by the Nielsen Claritas data source indicate a slow but steady growth in the minority population, up to 11.4% of the total population in 2009 and then to 12.1% in 2014. Small growth in all of the minority groups included in Table 3-5 is projected to occur. Additionally, the 2000 census indicates that 1,870 residents or 6.5% of the population were born outside of the United States.

**Table 3-5**  
**Racial and Immigrant Information, 1980 – 2000**

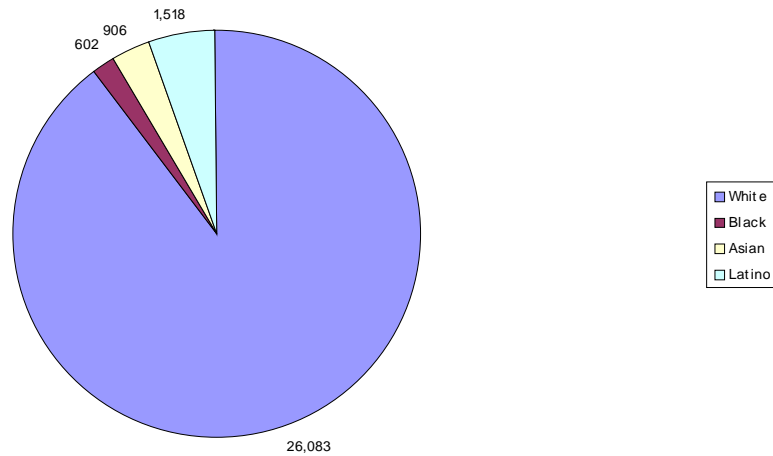
	1980		1990		2000	
	#	%	#	%	#	%
<b>Minority pop.*</b>	950	3.2	2,058	7.0	2,895	10.0
<b>Black</b>	310	1.1	522	1.8	602	2.1
<b>Asian</b>	184	0.6	848	2.9	906	3.1
<b>Latino **</b>	557	1.9	1,201	4.1	1,518	5.2
<b>Foreign Born</b>	1,507	5.1	1,878	6.4	1,870	6.5
<b>Entered US in past 10 years</b>	--	--	823	2.8	742	2.6

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3 \* All non-White classifications

\*\* Latino or Hispanic of any race.

**Figure 3-1**

**Racial Distribution**



### 3.1.3 Age Distribution

Figure 3-2 visually presents changes in age categories from 1980 to 2000, demonstrating a number of important demographic trends. Clearly the numbers of children declined, and while there is a substantial population of young adults age 21 to 34 in Northampton, including Smith College students, their numbers have been on the decline as well. On the other hand, there were substantial increases in more middle-aged residents age 35 to 54, a fall-off of those age 55 to 64 since 1980 and relative stability of those age 65 or older from 1980 to 2000.

**Figure 3-2**  
**Change in Age Distribution**  
**1980 to 2000**

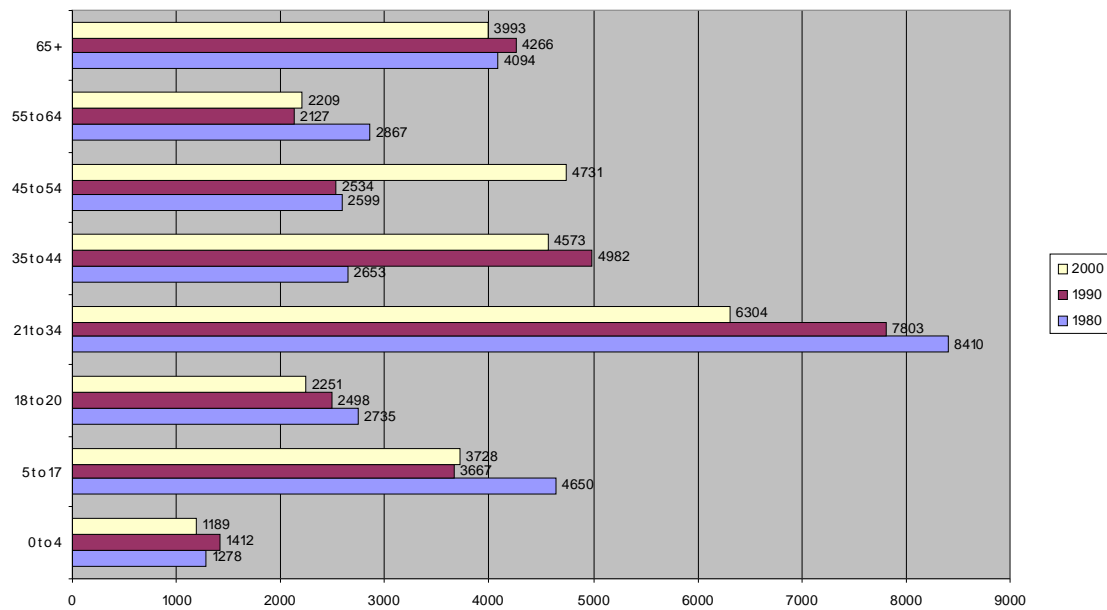


Table 3-6 summarizes 1990 and 2000 census data as well as 2009 estimates and projected 2014 information on the age distribution of the population.

**Table 3-6**  
**Age Distribution**  
**1990, 2000, 2009 Estimates and 2014 Projections**

	1990 Census	%	2000 Census	%	2009 Estimate	%	2014 Projection	%
<b>Age</b>	<b>28,289</b>		<b>28,978</b>		<b>28,299</b>		<b>28,031</b>	
Age 0 to 4	1,412	5.0%	1,189	4.1%	964	3.4%	930	3.3%
Age 5 to 9	1,467	5.2%	1,353	4.7%	1,058	3.7%	966	3.4%
Age 10 to 14	1,353	4.8%	1,522	5.2%	1,199	4.2%	1,063	3.8%
Age 15 to 17	847	3.0%	853	2.9%	832	2.9%	764	2.7%
<i>Subtotal</i>	<i>5,079</i>	<i>18.0%</i>	<i>4,917</i>	<i>17.0%</i>	<i>4,053</i>	<i>14.3%</i>	<i>3,723</i>	<i>13.3%</i>
Age 18 to 20	2,498	8.8%	2,251	7.8%	2,155	7.6%	2,014	7.2%
Age 21 to 24	2,656	9.4%	2,206	7.6%	1,932	6.8%	1,556	5.6%
Age 25 to 34	5,147	18.2%	4,098	14.1%	4,150	14.7%	4,308	15.4%
<i>Subtotal</i>	<i>10,301</i>	<i>36.4%</i>	<i>8,555</i>	<i>29.5%</i>	<i>8,237</i>	<i>29.1%</i>	<i>7,878</i>	<i>28.1%</i>
Age 35 to 44	4,982	17.6%	4,573	15.8%	3,628	12.8%	3,457	12.3%
Age 45 to 49	1,467	5.2%	2,487	8.6%	2,223	7.9%	1,914	6.8%
<i>Subtotal</i>	<i>6,449</i>	<i>22.8%</i>	<i>7,060</i>	<i>24.4%</i>	<i>5,851</i>	<i>20.7%</i>	<i>5,371</i>	<i>19.2%</i>
Age 50 to 54	1,067	3.8%	2,244	7.7%	2,369	8.4%	2,271	8.1%

	<b>1990 Census</b>	<b>%</b>	<b>2000 Census</b>	<b>%</b>	<b>2009 Estimate</b>	<b>%</b>	<b>2014 Projection</b>	<b>%</b>
Age 55 to 59	1,021	3.6%	1,261	4.4%	2,113	7.5%	2,288	8.2%
Age 60 to 64	1,106	3.9%	948	3.3%	1,523	5.4%	1,859	6.6%
<i>Subtotal</i>	<i>3,194</i>	<i>11.3%</i>	<i>4,453</i>	<i>15.4%</i>	<i>6,005</i>	<i>21.2%</i>	<i>6,418</i>	<i>22.9%</i>
Age 65 to 74	2,192	7.8%	1,716	5.9%	1,845	6.5%	2,368	8.4%
Age 75 to 84	1,449	5.1%	1,595	5.5%	1,415	5.0%	1,314	4.7%
Age 85 and over	625	2.2%	682	2.4%	893	3.2%	959	3.4%
Age 16 and over	23,772	84.0%	24,628	85.0%	24,803	87.6%	24,821	88.6%
Age 18 and over	23,210	82.0%	24,061	83.0%	24,246	85.7%	24,308	86.7%
Age 21 and over	20,712	73.2%	21,810	75.3%	22,091	78.1%	22,294	79.5%
Age 65 and over	4,266	15.1%	3,993	13.8%	4,153	14.7%	4,641	16.6%
<b>Median Age</b>	30-34*		37.37		40.33		41.96	
<b>Average Age</b>	--		38.75		41.08		42.46	

Source: U.S. Census Bureau, Census 1990 and 2000 Summary File 3 and Nielsen Claritas, Inc. 2009.

\* The census does not provide a median age figure for 1990. This range is from the Northampton Community Indicator Final Report prepared by the Pioneer Valley Planning Commission in March 2006.

While the population between 2000 and 2014 is projected to decrease by only 3.3%, the percentage of those children under the age of 18 are expected to decrease by 24.3%, a substantial decline with ramifications for school enrollments and types of housing units to be built in the future. Table 3-7 demonstrates the variation of household size and number of school-age children by the type of dwelling, suggesting that existing urban areas and infill development (both single-family and multi-family) generate the smallest population and fewest number of school-age children per dwelling unit. Suburban single-family homes have the largest population and largest number of school-age children per dwelling unit of any housing type in the city. Consequently, the type of housing that will be built in the future, and where it will be built, will largely dictate what, if any, children and types of households will live there.

**Table 3-7**  
**Average Household Size by Type of Dwelling**  
**2000**

<b>Areas of Northampton</b>	<b>Average Household Size</b>	<b>% of School-Age Children</b>
Citywide	2.14	10%
Single-family Homes/Single Units	2.47	--
Neighborhoods Near Downtown (primarily single-family homes)	1.86	9%
New Suburban Neighborhoods	3.39	29%
Older Suburban Neighborhoods	2.72	18%
Multi-family Homes	1.69	--
Smaller Affordable Housing Projects not including Public Housing or elderly housing	1.61	5%

Sources: U.S. Census Bureau, Census 2000 Summary File and City Census 2007 Partial Extract

Northampton and Hampshire County have had a greater proportion of young adults, those aged 20 to 34, who are entering the labor force and forming their own households, approximately 24% for both the city and the county versus 21% for the state. However, those young adults between 18 and 34 are also expected to decrease in number and in proportion to the total population, decreasing by about 8% from 2000 to 2014, although 2007 census estimates suggest that this population has increased. Likewise those in the middle years of age 35 to 49 are projected to decrease even more, by 24%. On the other hand, the population of those 50 years of age and over is expected to increase substantially over the next few years with residents 50 to 64, the baby boomers, increasing by 44%, and those 65 and over increasing by 16% from 2000 to 2014. It is important to note that these figures represent projected data only and the 2010 census will be available by 2011 hopefully to confirm actual population trends.

There has also been a substantial increase in the median age, from 37.3 years in 2000 to a projected 41.96 years in 2014. The 2000 median age is only slightly older than the state's at 36.5 years and the nation at 35.3 years as the aging of the population at large is a national trend.

Table 3-8 provides additional populations projections for 2010 and 2020, with a distribution of ages, based on data compiled by the Massachusetts Institute for Social and Economic Research (MISER) of the University of Massachusetts.

**Table 3-8**  
**Age Distribution Projections for 2010 and 2020**

<b>Age Range</b>	<b>2000 Census</b>	<b>%</b>	<b>2010 Projection</b>	<b>%</b>	<b>2020 Projection</b>	<b>%</b>
Less than age 5	1,189	4.1	1,288	4.4	1,212	4.2
Age 5 to 19	5,206	18.0	4,840	16.6	4,821	16.6
Age 20 to 34	7,077	24.4	6,701	23.0	6,493	22.3
Age 35 to 44	4,573	15.8	3,790	13.0	3,230	11.1
Age 45 to 54	4,731	16.3	4,420	15.2	3,671	12.6
Age 55 to 64	2,209	7.6	4,166	14.3	3,916	13.4
Age 65 to 74	1,716	5.9	1,893	6.5	3,679	12.6
Age 75 to 84	1,595	5.5	1,249	4.3	1,420	4.9
Age 85 and over	682	2.4	771	2.6	694	2.4
<b>Total</b>	<b>28,978</b>	<b>100.0</b>	<b>29,118</b>	<b>100.0</b>	<b>29,136</b>	<b>100.0</b>
Less than age 20	6,395	22.1	6,128	21.0	6,033	20.7
Age 65 and over	3,993	13.8	3,913	13.4	5,793	20.0

Source: U.S. Census Bureau 2000, Massachusetts Institute for Social and Economic Research, MISER, University of Massachusetts, 2003.

This data also suggests relative stability of the population in the coming years, projecting a small increase in the number of residents as opposed to the small decrease noted in Table 3-6. As predicted in Table 3-6, children and adolescents are expected to continue to decrease in number and in proportion to the total population. Also, those young adults and more middle-aged residents are predicted to decrease somewhat through 2020, while residents over age 55 are expected to increase substantially representing the aging of the baby boom.

### 3.1.4 Income

Table 3-9 presents income data based on the 1979, 1989 and 1999 census counts, which is also visually presented in the chart in Figure 3-3.

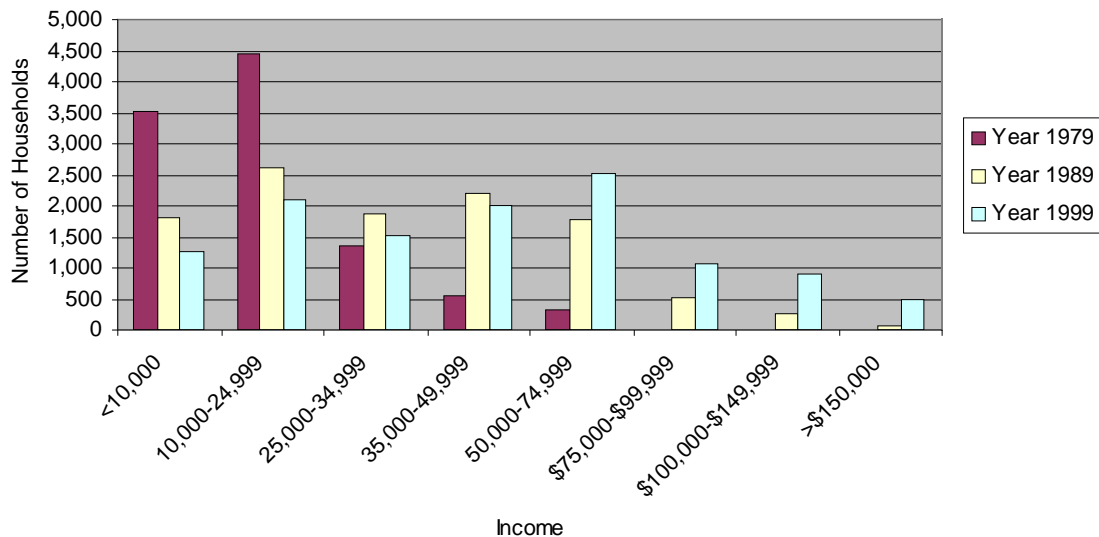
**Table 3-9**  
**Income Distribution by Household, 1979-1999**

Income Range	1979		1989		1999	
	#	%	#	%	#	%
<b>Under \$10,000</b>	3,522	34.4	1,815	16.3	1,246	10.5
<b>10,000-24,999</b>	4,457	43.5	2,604	23.4	2,103	17.7
<b>25,000-34,999</b>	1,364	13.3	1,880	16.9	1,526	12.9
<b>35,000-49,999</b>	561	5.5	2,205	19.8	2,000	16.9
<b>50,000-74,999</b>	331	3.2	1,780	16.0	2,517	21.2
<b>75,000-99,999</b>			530	4.8	1,076	9.1
<b>100,000-149,999</b>			258	2.3	910	7.7
<b>150,000 +</b>			79	0.7	485	4.1
<b>Total</b>	10,235	100.0	11,151	100.0	11,863	100.0
<b>Median income</b>	\$14,867		\$31,097		\$41,808	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3

**Figure 3-3**

Income Distribution by Census



Incomes have increased substantially, especially between 1979 and 1989 when the median income more than doubled. From 1989 to 1999, the median income increased from \$31,097 to \$41,808, by another 34%. Those earning less than \$25,000 decreased from 78% of all households in 1979 to 28% in 1999. Households earning between \$25,000 and \$50,000 almost doubled between 1979 and 1989, from 18.8% to 36.7%, but then decreased again to 29.8% in 1999. Those with higher incomes, earning more than \$50,000, increased from only 331 households in 1979 or 3.2%, to 2,647 or 23.8% in 1989, to 4,988 or 42.1% in 1999. With time it would be expected that incomes would climb, but in comparison to the state Northampton had a higher portion of those earning more than \$75,000 as 30.5% of all households were



earning more than that amount statewide. The state, however experienced a more significant increase in these households between 1989 and 1999, doubling from 14.6% to the 30.5% level.

It is also worth noting that the City's per capita income was \$24,022 in 2000, only somewhat less than the state average of \$25,952, however the income of multiracial residents was 62% of the City's average (\$14,952) and that of Hispanics was half of the City average (\$11,131).

While non-family households comprised half the population in 2000, the median income of families was substantially higher, \$56,844 versus \$29,818, highly correlated with a greater prevalence of two worker households in families. Additionally, and not surprisingly, the median income level of homeowners is substantially higher than renters, in fact almost double, \$57,327 versus \$29,333 in 2000.

Breakdowns of 2000 income levels for owners and renters are provided in Table 3-10. The majority of renters earned below \$35,000, however the majority of homeowners earned between \$35,000 and \$100,000. Almost 20% of the homeowners earned more than \$100,000 compared to only 3% of the renter households.

**Table 3-10**  
**Income Distribution by Owner and Renter Households**  
**2000**

Income Range	Homeowners		Renters	
	#	%	#	%
<b>Under \$10,000</b>	241	3.8	1,027	18.6
<b>10,000-24,999</b>	731	11.5	1,361	24.6
<b>25,000-34,999</b>	639	10.1	907	16.4
<b>35,000-49,999</b>	1,046	16.5	944	17.1
<b>50,000-74,999</b>	1,581	24.9	912	16.5
<b>75,000-99,999</b>	882	13.9	218	4.0
<b>100,000-149,999</b>	791	12.4	130	2.4
<b>150,000 +</b>	444	7.0	26	0.5
<b>Total</b>	6,355	100.0	5,525	100.0
<b>Median income</b>	\$57,327		\$29,333	

Source: U.S. Census Bureau, Census 2000 Summary File 3

Since 2000, it is expected that the proportion of those in the lower income levels would decrease and those in the higher levels would increase with inflation, which is borne out in Table 3-11. Those earning less than \$25,000 are estimated to have decreased to 22.8% by 2009 and then to decline a bit further to 21.2% by 2014. On the other end of the income scale, households earning more than \$75,000 increased from 20.8% in 2000 to 31.4% and then to 36.1% by 2014, a significant increase reflected in the increase in the average and median income levels as well. Households in the middle-income ranges of \$25,000 to \$50,000 are projected to decrease from almost 30% in 2000 to 25.8% in 2009 and then to 23.0% by 2014.

**Table 3-11**  
**Projected Household Income**  
**2000, 2009 and 2014**

	<b>2000 #</b>	<b>%</b>	<b>2009 Estimate</b>	<b>%</b>	<b>2014 Projections</b>	<b>%</b>
<b>Households by Household Income</b>	<b>11,863</b>		<b>12,012</b>		<b>12,064</b>	
Less than \$15,000	2,062	17.38%	1,651	13.74%	1,510	12.52%
\$15,000 to \$24,999	1,287	10.85%	1,087	9.05%	1,048	8.69%
\$25,000 to \$34,999	1,526	12.86%	1,182	9.84%	1,053	8.73%
\$35,000 to \$49,999	2,000	16.86%	1,913	15.93%	1,727	14.32%
\$50,000 to \$74,999	2,517	21.22%	2,408	20.05%	2,368	19.63%
\$75,000 to \$99,999	1,076	9.07%	1,567	13.05%	1,628	13.49%
\$100,000 to \$149,999	910	7.67%	1,341	11.16%	1,621	13.44%
\$150,000 to \$249,999	366	3.09%	630	5.24%	808	6.70%
\$250,000 to \$499,999	98	0.83%	176	1.47%	215	1.78%
\$500,000 or more	21	0.18%	57	0.47%	86	0.71%
<b>Average Household Income</b>	<b>\$56,335</b>		<b>\$67,949</b>		<b>\$74,954</b>	
<b>Median Household Income</b>	<b>\$42,924</b>		<b>\$51,796</b>		<b>\$57,327</b>	

Source: Nielsen Claritas, Inc. 2009.

### 3.1.4 Poverty Status

Table 3-12 confirms that poverty declined between 1979 and 1999, both in terms of the numbers of individuals and families living in poverty and in proportion to the population at large. Most dramatically, the number of children living in poverty decreased by 52% between 1989 and 1999.

**Table 3-12**  
**Poverty Status**  
**1989-1999**

	<b>1979</b>		<b>1989</b>		<b>1999</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Individuals Below Poverty *</b>	3,194	10.9	2,925	10.0	2,508	8.7
<b>Families **</b>	489	7.8	418	6.9	338	5.8
<b>Female Headed Families ***</b>	252	23.0	257	21.9	178	14.8
<b>Related Children Under 18 Years (Under 17 Years for 1980 data)***</b>	836	14.2	772	15.2	399	8.1
<b>Individuals 65 and Over****</b>	387	9.4	321	7.5	296	7.4

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3

\* Percentage of total population \*\* Percentage of all families

\*\*\* Percentage of all female-headed families

\*\*\*\* Percentage of all families with related children under 18 years

\*\*\*\*\* Percentage of all individuals age 65+

The level of poverty was somewhat lower than the state as a whole where 9.3% of all individuals were living in poverty in 2000, as opposed to 8.7% in Northampton and 6.7% of all families statewide versus 5.8% for Northampton.

While the decrease in poverty levels between 1979 and 1999 appears to be a healthy signal that the City's population is doing better economically, it may also be that those of the most vulnerable residents living in Northampton in 1980 were forced to leave the City in search of more affordable living conditions elsewhere, most likely to Holyoke or Springfield. The ability to provide affordable housing options for those with very limited incomes who have lived or currently live in the community and want to continue to do so is a continuing challenge and a pressing need.

Recent estimates suggest that poverty levels have actually increased. The 2007 census estimates in the American Community Survey for Northampton indicate that poverty increased to 13.6% with 3,466 residents living below the poverty level as opposed to about 2,500 in 1999. The 2008 American Community Survey, that had estimates for the county and state, also showed increases in poverty, from 9.4% to 10.4% of all residents for Hampshire County, and from 9% to 9.7% for the state. Given the recent economic crisis, these poverty levels may in fact have increased even more.

### **3.1.6 *Employment***

Northampton has had a strong and diverse economic base with an increasing workforce despite some decreases in the total population. It can boast of a significant manufacturing sector with a mixture of traditional operations, such as wire protrusion and plastic molding, as well as innovative ones including the production of heat sensing devices. It also has a resilient retail and commercial sector and a large institutional base that includes county services, two hospitals and Smith College. Of those 16,008 Northampton residents who were employed over the age of 16 in 2000, 8,270, or about 52%, worked in the community, which is higher than Hampshire County and the state at 39% and 34%, respectively, suggesting far more employment opportunities in the city. It should also be noted that most workers drove alone to work, 70%, another 7.1% carpooled and 3.2% (507 workers) used public transportation. The average commuting time was about 20 minutes, suggesting employment opportunities in town or nearby.

The 2000 census indicated that half of Northampton's workers were involved in management or professional occupations and the remainder employed in the lesser paying retail and service-oriented jobs that support the local economy including sales and office occupations (21.6%), service occupations (14.8%), production and transportation (8.1%), and construction (5.2%). Almost three-quarters of Northampton's labor force were salaried workers, another 19.2% were government workers and 8.8% were self-employed.

More recent labor and workforce data, from 2007, is presented in Table 3-13, which shows an average employment of 18,374 workers as opposed to a total workforce in 2000 of 16,008, suggesting significant job expansion. The data also confirms the concentration of jobs in the retail and service sectors and demonstrates that these jobs tend to have somewhat lower wage levels and the average weekly wage for Northampton's workers was \$769, about half of Boston's at \$1,476. Those industries with more than 1,000 Northampton workers included manufacturing (1,231 workers), retail trade (2,051), educational services (2,693), health care and social assistance (5,142), accommodation and food services (1,937) and public administration (1,024), clearly reflective of the major sectors of the city's economy mentioned above.

**Table 3-13**  
**Average Employment and Wages By Industry**  
**2007**

<b>Industry</b>	<b># Establishments</b>	<b>Total Wages</b>	<b>Average Employment</b>	<b>Average Weekly Wage</b>
Construction	58	\$28,514,981	592	\$926
Manufacturing	35	69,318,800	1,231	1,083
Utilities	3	5,117,360	60	1,640
Wholesale Trade	35	11,443,676	278	792
Retail Trade	170	53,996,883	2,051	506
Transportation/Warehousing	15	6,030,494	151	768
Information	24	17,394,491	388	862
Finance/Insurance	42	26,009,152	453	1,104
Real estate/rental/leasing	38	3,574,539	127	541
Professional/technical services	128	25,517,897	534	919
Management of companies/enterprises	6	4,309,916	174	476
Administrative and waste services	37	8,845,977	315	540
Educational services	33	125,464,627	2,693	896
Health care/social assistance	147	233,719,934	5,142	874
Arts/entertainment/recreation	29	5,739,359	350	315
Accommodation/food services	100	31,361,103	1,937	311
Other services	193	20,415,348	873	450
Public Administration	28	57,967,071	1,024	1,089
<b>Total</b>	<b>1,123</b>	<b>\$734,749,553</b>	<b>18,374</b>	<b>\$769</b>

Source: Massachusetts Executive Office of Labor and Workforce Development, 2008

The 2007 state labor statistics project an unemployment rate in Northampton in March 2009 of 5.3%, with 871 Northampton workers unemployed, higher than that of 2008 at 3.8%. As another point of comparison, the unemployment level in March 2009 was 7.1% for Boston, much higher than Northampton's. Nevertheless, with a down economy it can be expected that there will be some job reductions that are already affecting housing, as evidenced by the increasing numbers of residents who are seeking counseling from the Valley CDC for foreclosure prevention, for example.

### **3.1.7 Education**

The educational attainment of Northampton residents has improved over the last couple of decades. In 2000, 88.7% of those 25 years and older had a high school diploma or higher and 46.1 had a Bachelor's degree or higher, up from the 1990 figure of 32.9% with a college degree or higher and the 2000 figure of 37.9% for the county. Those enrolled in school (nursery through graduate school) in 2000 totaled 8,843 residents or 30.5% of the population (includes Smith College students), and those enrolled in kindergarten through high school totaled 3,915 students, 44.3% of those who are enrolled in school and representing 13.5% of the total population. Clearly Smith College, whose students are included in the population and enrollment data, represents a substantial presence in the community, competition for available and more

affordable housing, and a continued opportunity for creating partnerships to promote affordable housing development.

### 3.1.8 Disability Status

Of the 2000 residents age 5 to 20 years old, 539 or 9.1% had some disability. Of those aged 21 to 64, 2,650 residents, or 15% of the persons in the age range, claimed a disability. About 58% of this group was employed, leaving another 42% or 1,100 residents unemployed, likely due to their disability. In regard to the population 65 years of age or older, 1,227 seniors or 37.9% of those in the age group claimed some type of disability. These levels of disability represent significant special needs within the Northampton community and suggest that the City make a concerted effort to integrate special needs housing, units that are handicapped accessible and housing with supportive services, into its planning for affordable housing development.

The Massachusetts Department of Mental Retardation (DMR) indicates that there are typically six (6) individuals coming out of residential schools for the developmentally disabled every year, looking for appropriate housing and services.

### 3.1.9 Residency in 1995

Approximately half of Northampton residents over the age of five who were living in the city in 2000, or 13,116 residents, moved to a new residence within Northampton from 1995 to 2000. Of these, 21% came from somewhere else in Hampshire County, 26% came from a different county, with 10% coming from Massachusetts and 16% coming from a different state or elsewhere, representing significant mobility of the city's population.

**Table 3-14**  
**Selected Characteristics of 1995 to 2000 Migrants**

	In-Migration		Out-Migration		Net Migration
	Number	Percent	Number	Percent	
<b>Total</b>	9,067		9,529		-462
<b>Gender</b>					
Male	3,444	38%	3,585	38%	-141
Female	5,623	62%	5,944	62%	-321
<b>Age Groups</b>					
5 to 9 years	306	3%	420	4%	-114
10 to 14 years	305	3%	295	3%	10
15 to 19 years	1,094	12%	389	4%	705
20 to 24 years	1,967	22%	1,476	15%	491
25 to 29 years	1,184	13%	2,155	23%	-971
30 to 34 years	1,183	13%	1,296	14%	-113
35 to 39 years	804	9%	867	9%	-63
40 to 44 years	572	6%	836	9%	-264
45 to 49 years	508	6%	464	5%	44
50 to 54 years	404	4%	412	4%	-8
55 to 59 years	143	2%	281	3%	-138
60 to 64 years	62	1%	233	2%	-171
65 to 69 years	113	1%	124	1%	-11
70 to 74 years	63	1%	79	1%	-16
75 to 79 years	111	1%	57	1%	54
80 to 84 years	143	2%	49	1%	94
85 years and over	105	1%	96	1%	9

Source: U.S. Census Bureau, 2000. Net migration equals in migration minus out migration.

Table 3-14 shows the gender and age distribution of migrants, including those who left Northampton and those who arrived, involving a net out-migration of 462 residents. There were more female migrants, 62% of all those who moved in and out of the city. The largest net out-migration involved young children and those ages 25 to 29 as well as those 40 to 44, whereas those ages 15 to 24 comprised the largest concentration of net new arrivals.

Table 3-15 shows by county the net migration patterns of those leaving and entering Hampshire County from 1993 to 2003. In the 1990s, most of Hampshire County's new arrivals came from nearby Hampden County but from 2000 to 2003 most of the new arrivals were coming from further east, Middlesex County and Worcester County in particular, suggesting some subtle changes in migration patterns across the state.

**Table 3-15**  
**Annual Net Migration in Hampshire County, 1993 to 2003**

<b>County Name</b>	<b>1993-4</b>	<b>1994-5</b>	<b>1995-6</b>	<b>1997-8</b>	<b>1998-9</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>
Barnstable County	4	-10	-12	-49	10	-8	-10	-15	-23
Berkshire County	36	19	-4	41	18	-1	5	31	34
Bristol County	5	8	-53	-16	-12	3	6	-27	8
Essex County	34	57	-2	-17	16	29	-9	29	-9
Franklin County	631	639	-31	-16	-130	-105	-87	-42	19
Hampden County	1,668	1,595	429	63	140	107	-77	-8	-68
Middlesex County	-29	-52	-121	-96	-154	-53	-34	80	164
Norfolk County	-16	-44	-65	-4	10	17	29	8	54
Plymouth County	18	14	34	20	15	13	0	48	21
Suffolk County	-46	-27	-32	-25	-53	-47	-85	-67	2
Worcester County	40	-16	-61	-80	12	60	55	133	170
<b>Total</b>	<b>2,345</b>	<b>2,183</b>	<b>82</b>	<b>-179</b>	<b>-128</b>	<b>15</b>	<b>-207</b>	<b>170</b>	<b>372</b>

Source: Internal Revenue Service, County to County Migration Statistics; Calculated by UMass Donahue Institute, 2006. Note: Net migration is calculated by counting the number of tax exemptions filed with the IRS of those who filed from a different county the previous year.

### 3.2 Housing Profile

This section of the Housing Needs Assessment looks at housing characteristics and trends, analyzes the housing market from a number of different data sources and perspectives, compares what housing is available to what residents can afford, summarizes what units are defined as affordable by the state and establishes the context for identifying priority housing needs.

Northampton has a relatively diverse housing stock with units distributed among various types of properties and price ranges. The city also includes a fairly even distribution of rental and ownership housing and a considerable amount of units in group quarters, particularly given local institutions and Smith College.

Table 3-16 includes a summary of housing characteristics from 1980 through 2000. Out of the 12,405 total housing units in 2000, Northampton had 12,282 year-round units<sup>9</sup> of which 11,880 or 95.8% were occupied. Of the occupied units, 6,356 or 53.5% were owner-occupied and the remaining 5,524 or 46.5% were renter-occupied. These figures represent a somewhat lower level of owner-occupancy in 2000 than that of Hampshire County where 65% of the units were owner-occupied.

<sup>9</sup> The year-round figure is the one used under Chapter 40B for determining the 10% affordability goal.

In reviewing changes in the housing stock since 1980, a couple of important trends become apparent including:

- *Continued housing growth:* Housing growth has continued in Northampton despite an overall population decrease, largely reflective of the formation of smaller households. While 1,745 new housing units were created between 1980 and 2000, the rate of growth has slowed down from a growth rate of 10.2% between 1980 and 1990 to 5.6% from 1990 to 2000. From 2000 through July 2009, an additional 450 units have been added to the housing stock, demonstrating a growth rate of 3.6%.
- *Decrease in persons per unit.* Average household size continues to drop, although at a slower rate than it did between 1960 and 2000. Consequently, new housing units do not necessarily translate into more people. The average number of persons per unit declined between 1980 and 2000 from 2.54 persons to 2.44 persons for owner-occupied units and from 1.95 to 1.79 persons for rental units. This decrease reflects local, regional and national trends towards smaller household sizes and relates to the change in the average household size in Northampton from 2.45 persons in 1990 to 2.14 in 2000.

**Table 3-16**  
**Housing Characteristics**  
**1980-2000**

	1980		1990		2000	
	#	%	#	%	#	%
<b>Total # Housing Units</b>	10,660	100.0	11,747	100.0	12,405	100.0
<b>Occupied Units *</b>	10,227	95.9	11,164	95.0	11,880	95.8
<b>Occupied Owner Units **</b>	5,387	52.7	5,682	50.9	6,356	53.5
<b>Occupied Rental Units **</b>	4,840	47.3	5,482	49.1	5,524	46.5
<b>Total Vacant Units/Seasonal, Recreational or Occasional Use *</b>	356/39	33/0.4	583/110	5.1/0.9	525/123	4.2/1.0
<b>Average House-Hold Size of Owner-Occupied Unit</b>	2.54 persons		2.59 persons		2.44 persons	
<b>Average House-Hold Size of Renter-Occupied Unit</b>	1.66 persons		1.95 persons		1.79 persons	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 1

\* Percentage of all housing units \*\* Percentage of occupied housing units

- *Limited growth in rental units:* After an increase of 642 rental units between 1980 and 1990, Northampton gained only 42 rental units from 1990 to 2000, most likely related to limited new construction and the conversion of rentals to homeownership through condominium conversions. Since 2000, the only new rental apartments that have been built in the City have occurred with

public subsidies, mainly through The Village at Hospital Hill and some small developments sponsored by the Valley CDC, or the accessory apartment ordinance. Northampton's rental units are distributed throughout the housing stock with 82% of the total 5,524 occupied rental units in 2000 in structures of three (3) or more units.

- *Decrease in group quarters.* The small increase in number of households and smaller increase in the household population has not made up for the decrease in group quarters population, which declined from 6,316 residents in 1960 to 3,602 in 2000 (see Table 3-1).
- *Tight Market Conditions.* The vacancy rates for both rental and ownership housing are well below 5% indicative of an extremely tight housing market with few vacant units. These rates are substantially lower than the state and national rates as shown in Table 3-17.
- *More visible new development.* New housing has been built in previously undeveloped areas, now typically consuming more land than historical building patterns. Consequently, such development has attracted more attention from residents and some pushback from neighbors.
- *Loss of units.* The U.S. Census estimates that from April 1, 2000 to July 1, 2007, 270 new dwelling units were built but 229 units were lost either to other uses, to teardowns, or conversions of two-family dwellings to single-family homes. Moreover, the number of two-family homes decreased from 1,722 such units in 1980 to only 1,529 in 2000, representing the loss of a valuable segment of the city's existing housing stock.

**Table 3-17**  
**Vacancy Rates by Tenure, 1990 and 2000**

	<b>1990</b>	<b>2000</b>	<b>MA 2000</b>	<b>Nation 2000</b>
Rental	3.4%	2.9%	3.5%	5%
Homeowner	1.7%	0.7%	0.7%	3%

Source: U.S. Census Bureau, 1990 and 2000

### **3.2.1 Types of Structures and Units**

The 2000 census indicated that there is a significant amount of diversity in Northampton's existing housing stock as highlighted in Table 3-18. Single-family homes remain almost one-half of all units, increasing by 525 such units from 1980 to 2000. The number of units in larger properties also increased from 1980 to 2000, increasing by 25% for three and four-unit structures, by 21% for five to nine-units structures and by 30% for larger properties.

On the other hand, there was a decline in the number of two-family homes, from 1,722 units in 1980 to 1,529 in 2000, due largely to conversions to single-family units. This means that at least 200 rental units in likely owner-occupied homes were lost. Many of these units were probably more affordable, as private landlords, particularly owner-occupied ones, tend to value good tenants and frequently maintain rents below market to keep their tenants. It means the loss of some affordable homeownership stock as well as owners with rental units benefit from rental income that helps them finance the house. Lenders typically count about 75% of the rental towards mortgage underwriting calculations thus allowing a lower income homeowner to purchase a home. As such, small multi-family homes have been important starter housing in many communities, cities in particular, before zoning or where zoning allowed them. Strategies to replace some of this housing should be considered in future planning.



**Table 3-18**  
**Units by Type of Structure, 1980-2000**

Type of Structure	1980		1990		2000	
	#	%	#	%	#	%
<b>1-detached</b>	5,201	49.2	5,257	44.8	5,726	46.2
<b>1-attached</b>			319	2.7	571	4.6
<b>2</b>	1,722	16.3	2,980	25.4	1,529	12.3
<b>3-4</b>	1,196	11.3			1,494	12.0
<b>5-9</b>	1,029	9.7	1,137	9.7	1,243	10.0
<b>10+</b>	1,402	13.3	1,812	15.4	1,816	14.6
<b>Other</b>	21	0.2	242	2.1	26	0.2
<b>Total</b>	10,571	100.0	11,747	100.0	12,405	100.0

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3

The distribution of units by structure type in 2000 is presented below in Figure 3-4.

**Figure 3-4**

**Distribution of Units Per Structure**

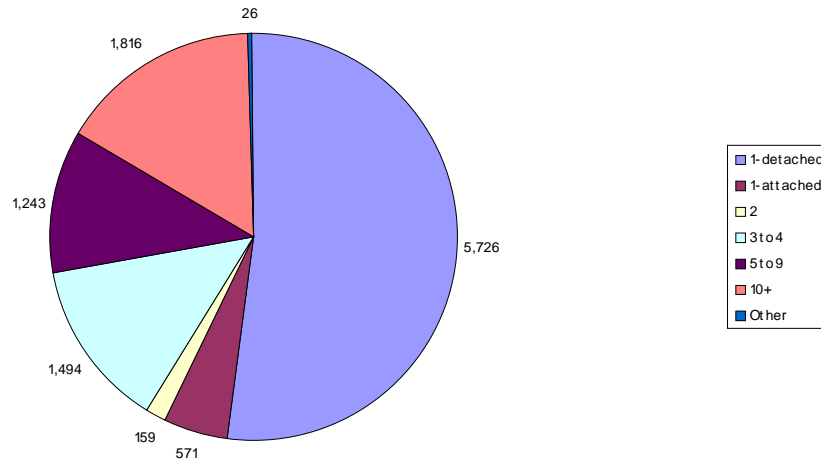


Table 3-19 provides a breakdown of the 2000 distribution of units per structure according to whether the units were occupied by renters or homeowners as well as the number of residents in each category. While about 85% of owners resided in single-family homes, about the same portion of renters lived in multi-family units. It is interesting to note that about 13% of the single-family homes were renter-occupied as opposed to 9.6% statewide.

**Table 3-19**  
**Type of Structure by Tenure, 2000**

Type of Structure	Homeowner Units/ Number of Residents		Renter Units/ Number of Residents	
	#	%	#	%
<b>1-detached</b>	5,021/13,203	79.0	564/1,258	10.2
<b>1-attached</b>	364/686	5.7	168/370	3.0
<b>2</b>	530/1,246	8.3	939/1,802	17.0
<b>3-4</b>	136/273	2.1	1,231/2,032	22.3
<b>5-9</b>	113/244	1.8	1,079/1,819	19.5
<b>10+</b>	174/347	2.7	1,535/2,034	27.8
<b>Other</b>	17/42	0.3	9/16	0.2
<b>Total</b>	6,355/16,041	100.0	5,525/9,331	100.0

Source: U.S. Census Bureau, Census 2000 Summary File 3

Table 3-20 provides information on the distribution of unit sizes, more specifically the number of rooms per unit. This data indicates that the median sized unit was relatively modest with five (5) rooms or two to three bedrooms. It further suggests that those units most appropriate for single persons, with three rooms or less, comprised only 21% of the housing stock. As noted earlier in the Housing Needs Assessment, there remains approximately a thousand single-person households not living in group quarters who rely on the existing housing stock, and while there are an estimated 4,891 such households living in Northampton, there were only 2,630 housing units with three (3) or fewer rooms. There were also substantial numbers of two-person households with unmet housing needs as such households were estimated to comprise almost 4,000 households, or about one-third of all households, yet smaller housing units are in short supply.

**Table 3-20**  
**Number of Rooms Per Unit**  
**2000**

Number of Rooms Per Unit	#	%
1 Room	310	2.5
2 Rooms	794	6.4
3 Rooms	1,526	12.3
4 Rooms	2,415	19.5
5 Rooms	2,435	19.6
6 Rooms	1,845	14.9
7 Rooms	1,381	11.1
8 Rooms	905	7.3
9 or More Rooms	794	6.4
Total	12,405	100.0
Median (Rooms)	5.0	--

Source: U.S. Census Bureau, Census 2000 Summary File 3

### **3.2.2 Age of Housing Stock**

Table 3-21 indicates Northampton has a substantial portion of its housing stock, 45.4% or 5,638 units, that predate World War II. Additionally, almost another 30% or 3,484 units were built between 1940 and 1970, with another 1,500 units built between 1970 and 1980. Less than one thousand units, 823 units, were built more recently between 1980 and 2000, representing only 6.6% of the housing stock up to that point. Because of the relative age of the existing housing stock, it is likely that many units may have

remnants of lead-based paint and/or deferred housing maintenance needs, including some basic code violations related to structural or systemic deficiencies.

**Table 3-21**  
**Year Structure Built, 2000**

<b>Time Period</b>	<b>#</b>	<b>%</b>
<b>1999 to March 2000</b>	76	0.6
<b>1995 –1998</b>	242	2.0
<b>1990-1994</b>	373	3.0
<b>1980-1989</b>	132	9.1
<b>1970-1979</b>	1,460	11.8
<b>1960-1969</b>	1,244	10.0
<b>1940-1959</b>	2,240	18.1
<b>1939 or earlier</b>	5,638	45.4
<b>Total</b>	12,405	100.0

Source: U.S. Census Bureau, Census 2000 Summary File 3

### **3.2.3 More Recent and Projected Housing Growth**

Building permit activity since 2000 through May 27, 2009 indicates that Northampton added 407 total units to its housing stock, representing a total investment of almost \$78.5 million for an average per unit cost of \$192,837 as indicated in Table 3-22.

**Table 3-22**  
**Building Permit Activity – New Dwelling Units, 2000-May 27, 2009**

<b>Year</b>	<b>Total Units</b>	<b>Single-family Units</b>	<b>Multi-family Units</b>	<b>Total Value/Value per Unit</b>
2000	12	8	2 duplexes/4 units	\$1,042,500/\$86,875
2001	30	28	2-family house/2 units	\$4,138,928/\$137,964
2002	20	14	2 duplexes/4 units 2-family house/2 units	\$3,070,057/\$153,503
2003	60	37	10 unit building 3 3-families/9 units 2 duplexes/4 units	\$11,118,568/\$185,309
2004	54	52	2-family house/2 units	\$12,222,070/\$226,335
2005	87	43	5 duplexes/10 units 8 duplexes/16 units 3 4-unit bldgs/12 units 3 2-family homes/6 units	\$13,684,954/\$157,298
2006	36	20	2 duplexes/4 units 2 6-unit bldgs/12 units	\$12,582,376/\$349,510
2007	34	15	5-unit bldg 5 units 6-unit bldg/6 units 2 3-unit bldgs/6 units 1 duplex/2 units	\$6,556,465/\$192,837
2008	62	19	3-unit bldg/3 units 4 8- unit bldgs/32 units 5-unit bldg/5 units 3 unit bldg/3 units	\$9,878,297/\$159,327
2009	12	10	1 duplex/2 units	\$4,188,670/\$349,056
<b>Total</b>	<b>407</b>	<b>246</b>	<b>161</b>	<b>\$78,482,885/\$192,833</b>

Source: Northampton Building Department

The table also shows that 60% of the units produced were single-family homes, somewhat higher than what had been produced before 2000 with less than half of the existing housing stock comprised of single-family dwellings. The amount of permit activity varied considerably from year to year with significantly lower activity in the early years of the decade to a high of 87 permits in 2005. The average per unit investment also ranged substantially from a low of \$86,875 in 2000 to a high of \$349,510 in 2006.

There were a total of 39 *accessory apartments* permitted since 2000, ranging in costs from \$1,550, obviously requiring very little alteration in the property, to as high as \$369,250 that even included some meditation space. Most of the higher priced accessory apartments involved the new construction of an addition to an existing property. The total investment in creating accessory units was \$2,842,582 with an average cost per unit was \$72,887.

2001 – 1 unit (\$5,500)  
2002 – 2 units (\$132,216 and \$83,990)  
2003 – 10 units (\$121,600, \$8,550, \$51,000, (\$94,500, \$13,530, \$11,000, (\$116,250, \$15,000, \$52,500, \$70,000)  
2004 – 5 units (\$90,958, \$17,500, \$45,000, (\$65,000, \$21,500)  
2005 – 8 units (\$42,500, \$60,000, \$1,550, \$359,250, \$60,000, \$11,000, \$119,205, \$56,500)  
2006 – 7 units (\$8,800, \$166,658, \$140,000, \$38,500, \$13,000, \$70,200, \$34,500)  
2007 – 3 units (\$54,000, \$80,000, \$84,130)  
2008 – 1 unit (\$189,650)  
2009 – 2 units (\$250,000, \$17,500)

Consequently, 446 units were added to the housing stock since 2000 for a total of 12,851 units. Assuming comparable growth to 2008 of 62 units, the total number of housing units should be about 12,900 units. The 2010 census will count total units as of March 2010, which is likely to be close to 13,000. The Nielsen Claritas projections for number of housing units in 2014 was 12,625, which Northampton already surpassed.

In the future, development is likely to be “smarter” with most development occurring in and adjacent to existing urbanized areas (see Appendix 4 for the City’s future land use map). For example, development is more likely to occur within the footprint of the existing urban core at Village Hill/Hospital Hill, Pleasant Street, King Street, downtown, Florence, Bay State, Leeds, their surrounding neighborhoods, and a buffer beyond these developed areas. The adoption of *Sustainable Northampton*, the City’s new comprehensive plan, and eventual approval of an Affordable Housing Plan, of which this Housing Needs Assessment is a significant component, should serve to reinforce these more sustainable development patterns. As part of these planning efforts that must incorporate necessary consensus building, regulatory reform and neighborhood implementation planning, the following basic development principles will be bolstered as listed in the City’s Office of Planning and Development materials:

- Large-scale development will be discouraged in the outlying rural and suburban areas of the City because these kinds of development patterns are far more consumptive of energy and natural resources and create greater financial burdens on the City.
- Development will instead be channeled towards walkable and more sustainable patterns, in places like Village Hill/Hospital Hill, downtown, and other appropriate places in pre-World War II historically developed areas and roughly a mile out from those places.
- The City will focus on providing services in sustainable areas and not in patterns that underwrite unsustainable development patterns.

- Developers have reported that they understand that the City is discouraging suburban-style housing projects in outlying areas.

The Office of Planning and Development further recognizes that while much of the policy, regulatory, and investment changes to implement its plans have yet to be initiated, it does point out that the initial work is already underway:

- All new subdivisions now require concrete sidewalks, granite curbs, and sufficient water pressure or sprinkler systems to fight fires. These expensive features will both lower future City costs and make it far more likely that development will occur closer to downtown and Florence, where street lengths per unit are shorter, and not in outlying areas.
- Open space acquisitions are being targeted in part to purchase frontage and prevent development in those outlying areas of the City where it is least appropriate.
- Investments in publicly supported development, such as CPA funds for affordable housing, are being channeled away from outlying areas.

### **3.2.4 Housing Market Conditions**

The following analysis of the housing market looks at past, present and future values of homeownership and rental housing from a number of data sources including:

#### *Past and current values*

- The 1980, 1990 and 2000 U.S. Census
- The Warren Group's median income statistics and sales volume by year going back to 1988 through July 2009
- Multiple Listing Service data
- City Assessor's data
- Craig's List (rental housing)
- The U.S. Census's American Community Survey (2007 estimates)
- Nielsen Claritas data for 2008 estimates

#### *Future values*

- Nielsen Claritas data for 2014 projections

#### *Homeownership*

*Census data* also provides information on housing values for homeownership and rental units. While this information is now more than nine (9) years old, it still provides a reasonable frame of reference to compare with more current values, with other communities, the county as a whole and the state. The census indicated that the 2000 median house value was \$144,600, up only about 8.8% from the median in 1990 of \$132,900, but up about 280% since 1980 when the median was only \$38,200. As Table 3-23 indicates, there were 555 units valued at less than \$100,000 in 2000, and another 2,217, or 43.6% of the housing stock, valued between \$100,000 and \$150,000, demonstrating that more than half of the city's housing units were relatively affordable at that time. Still another 1,101 units or 21.7% were valued between \$150,000 and \$200,000. On the other end of the price range, 390 units, or 7.8% of the housing stock, were priced at \$300,000 or more, clearly in the high-end of the market at the time.

**Table 3-23**  
**Housing Values**  
**1980 – 2000**

Price Range	1980		1990		2000	
	#	%	#	%	#	%
<b>Less than \$50,000</b>	2,439	55.8	50	1.1	29	0.6
<b>\$50,000 to \$99,999</b>	926	21.2	650	14.8	526	10.4
<b>\$100,000 to \$149,999</b>	45	1.0	2,167	49.5	2,217	43.6
<b>\$150,000 to \$199,999</b>	6	0.1	866	19.8	1,101	21.7
<b>\$200,000 to \$299,999</b>	3	0.07	493	11.3	819	16.1
<b>\$300,000 to \$499,999</b>			153	3.5	369	7.3
<b>\$500,000 or more</b>					21	0.5
<b>Total</b>	4,368	100.0	4,379	100.0	5,082	100.0
<b>Median (dollars)</b>	\$38,200		\$132,900		\$144,600	

Source: U.S. Census Bureau, Census 1980, 1990 (Summary File 1) and 2000 Summary File 3

The 2000 housing prices in Northampton were only a bit higher than those for Hampshire County with a median house value of \$142,400. The median price was somewhat lower than the state's median at \$162,800.

Table 3-24 provides *Warren Group data* on median sales prices and number of sales from 1988 through July 2009, offering a long-range perspective on sales activity. This data is tracked from Multiple Listing Service information based on actual sales. The median sales price of a single-family home as of the end of 2008 was \$250,000, and despite an economic recession the median has increased to \$295,000 in Northampton, certainly a positive economic signal. This 2009 value is almost as high as 2005's, the height of the housing market for many communities in the state. The lowest point of the market occurred in 1994 when the median single-family home was priced at \$120,000, down only very little from values earlier in the decade, during the last serious economic slump. Since then home values climbed relatively slowly, reaching \$299,000 in 2005, a 149% increase since 1994. The number of single-family home sales also increased significantly from the early 1990s, from less than 170 units in the early 1990s to a high of 245 in 2001 and then down back down to less than 170 sales in 2007 and 2008. The volume of sales continues to be slow in 2009. A local realtor indicated that between January and July of 2008 they had 60 sales of single-families and were down to 40 such sales during the same timeframe in 2009, a substantial decline in sales activity.

The condo market has experienced significantly more volatility in values and number of sales. Prices dropped from 1988 to 1993, from \$107,900 to \$62,500, and then the market revived somewhat in 2000 when the median condo price went to \$125,000. After another small dip in value, the condo market grew increasingly strong until it reached \$202,700 in 2008. During the first part of 2009, the market again took a hit and the median has declined to \$165,300. The condo market is very soft throughout the Commonwealth in fact as financing has become more challenging to obtain and prices in some communities have fallen to all-time lows. The sales volume of condos was quite robust through the mid part of this decade, with sales of more than a hundred condos annually, reflective of some new construction of condos as shown in Table 3-19, but also likely to have been affected by an increase in the conversion of rental properties to condominiums.

**Table 3-24**  
**Median Sales Prices and Number of Sales**  
**January 1988 – July 2009**

<b>Year</b>	<b>Months</b>	<b>Single-family/#</b>	<b>Condo/#</b>	<b>All Sales</b>	<b># Sales</b>
2009	Jan – July	\$295,000/81	\$165,300/34	\$239,500	162
2008	Jan – Dec	250,000/164	202,700/84	249,950	352
2007	Jan – Dec	277,125/158	196,500/136	239,500	405
2006	Jan – Dec	275,000/223	195,000/117	253,000	445
2005	Jan – Dec	299,000/227	199,000/154	260,000	530
2004	Jan – Dec	242,500/227	153,950/138	212,250	525
2003	Jan – Dec	224,000/212	122,750/116	188,000	473
2002	Jan – Dec	192,500/221	115,000/65	190,000	386
2001	Jan – Dec	174,500/245	97,000/97	162,000	472
2000	Jan – Dec	180,000/207	125,000/113	155,000	426
1999	Jan – Dec	147,000/241	87,500/107	139,300	453
1998	Jan – Dec	148,000/241	78,750/83	135,000	432
1997	Jan – Dec	130,000/217	87,500/65	124,700	388
1996	Jan – Dec	130,000/199	75,750/68	121,350	352
1995	Jan – Dec	129,000/179	82,000/63	118,250	330
1994	Jan – Dec	120,000/182	79,950/50	119,000	343
1993	Jan – Dec	127,000/167	62,500/95	115,000	346
1992	Jan – Dec	125,000/168	64,625/81	106,500	311
1991	Jan – Dec	122,500/169	76,000/74	112,000	317
1990	Jan – Dec	121,000/171	74,900/114	108,160	359
1989	Jan – Dec	131,750/166	101,771/75	123,000	361
1988	Jan – Dec	133,000/191	107,900/99	125,000	411

Source: The Warren Group, September 1, 2009

Another analysis of housing market data is presented in Tables 3-25 and 3-26, which break down sales data from the *Multiple Listing Service* for single-family homes and condominiums. Table 3-22 provides a snap-shot of the range of sales for 2008. There were a total of 230 sales, 144 single-family homes and 86 condos. Units that sold below \$200,000, and therefore relatively affordable, included 27 single-family homes and 41 condominiums for a total of 68 units. The average or mean sale price for 2008 was \$302,656 for single-family homes and \$227,228 for condos, although the medians were considerably less at \$260,000 and \$202,400, respectively.

The 2008 MLS data further indicate that the average marketing period was 98 days for single-family homes, 118 days for condos and 108 days for multi-family units, which given the slowing of the housing market, and the economy in general, is not as long as might be expected. However, days on the market varied considerably among properties. For example, the marketing time was as low as a single day for a four-bedroom ranch at \$225,000 (listed for \$229,000) to 745 days for a five-bedroom Colonial that finally sold for \$675,000 (listed for \$749,900).

**Table 3-25**  
**Single-family House and Condo Sales**  
**January 1, 2008 Through December 31, 2008**

	<b>Single-family Homes</b>		<b>Condominiums</b>		<b>Total</b>	
<b>Price Range</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Less than 100,000</b>	3	2.1	4	4.6	7	3.0
<b>\$100,000-149,999</b>	3	2.1	22	25.6	25	10.9
<b>\$150,000- 199,999</b>	21	14.6	15	17.4	36	15.6
<b>\$200,000-249,999</b>	40	27.8	22	25.6	62	27.0
<b>\$250,000-299,999</b>	23	16.0	7	8.1	30	13.0
<b>\$300,000-349,999</b>	13	9.0	4	4.6	17	7.4
<b>\$350,000-399,999</b>	11	7.6	3	3.5	14	6.1
<b>\$400,000-449,999</b>	10	6.9	0	0.0	10	4.4
<b>\$450,000-499,999</b>	7	4.9	2	2.3	9	3.9
<b>\$500,000-599,999</b>	6	4.2	7	8.1	13	5.6
<b>\$600,000-699,999</b>	5	3.5	0	0.0	5	2.2
<b>\$700,000-799,999</b>	1	0.7	0	0.0	1	0.4
<b>\$800,000-899,999</b>	1	0.7	0	0.0	1	0.4
<b>\$900,000-999,999</b>	0	0.0	0	0.0	0	0.0
<b>Over \$1 million</b>	0	0.0	0	0.0	0	0.0
<b>Total</b>	144	100.0	86	100.0	230	100.0
<b>Average List Price/Average Sale Price</b>	\$315,758/ \$302,656		\$227,711/ \$227,228		--	
<b>Median Price</b>	\$260,000		\$202,400		--	

Source: Multiple Listing Service, Goggins Real Estate, September 10, 2009

Sales in 2009, from January through September 10, and as presented in Table 3-23, show some strengthening in the single-family market with the average sales price increasing to \$327,899 and the median to \$281,500. However, the decline in the condo market is evident from the drop in both the average and median sales prices, the median to \$167,000. Also the number of condo sales has fallen off to only 42 sales during the first eight (8) months of the year.

Days on the market ranged from 118 days for single-family homes to 165 days for condos, and 104 days for multi-family properties, demonstrating longer marketing periods for single-families and condos than in 2008. Once again there was a huge variation regarding the marketing time among properties.

In regard to current listings as of September 10, 2009, the average list price for a single-family home was \$435,545, based on 82 listings, while the median was \$345,000. Both price levels are substantially higher than the average list price and median sales price in 2008. Prices of current condo listings, with an average list price of \$224,051 and a median of \$209,000, are fairly comparable to the 2008 levels. It appears that in comparison to actual sales to date in 2009, however, both single-families and condos are being listed at substantially higher prices than what the market will actually bear.



**Table 3-26**  
**Single-family Home (SF) and Condo Sales**  
**January 1, 2009 Through September 10, 2009**

Price Range	Active Listings #/%		Sales #/%		Total	
	SF	Condos	SF	Condos	#	%
<b>Less than 100,000</b>	0/0.0	5/7.6	1/0.9	4/9.5	10	3.4
<b>\$100,000-149,999</b>	1/1.2	17/25.8	1/0.9	11/26.2	30	10.1
<b>\$150,000- 199,999</b>	6/7.3	9/13.6	14/13.1	13/31.0	42	14.1
<b>\$200,000-249,999</b>	20/24.4	15/22.7	26/24.3	9/21.4	70	23.6
<b>\$250,000-299,999</b>	12/14.6	6/9.1	17/15.9	2/4.8	37	12.5
<b>\$300,000-349,999</b>	4/4.9	4/6.1	12/11.2	0/0.0	20	6.7
<b>\$350,000-399,999</b>	7/8.5	4/6.1	10/9.4	2/4.8	23	7.7
<b>\$400,000-449,999</b>	8/9.8	2/3.0	10/9.4	0/0.0	20	6.7
<b>\$450,000-499,999</b>	6/6.1	3/4.6	5/4.7	1/2.4	15	5.0
<b>\$500,000-599,999</b>	5/6.1	1/1.5	5/4.7	0/0.0	11	3.7
<b>\$600,000-699,999</b>	3/3.7	0/0.0	1/0.9	0/0.0	4	1.4
<b>\$700,000-799,999</b>	3/3.7	0/0.0	0/0.0	0/0.0	3	1.0
<b>\$800,000-899,999</b>	3/3.7	0/0.0	3/2.8	0/0.0	6	2.0
<b>\$900,000-999,999</b>	0/0.0	0/0.0	2/1.9	0/0.0	2	0.7
<b>Over \$1 million</b>	4/4.9	0/0.0	0/0.0	0/0.0	4	1.4
<b>Total</b>	82/100.0	66/100.0	107/100	42/100	297	100.0
<b>Average List Price/Average Sale Price</b>	\$435,545 /NA	\$224,051 /NA	\$339,619 \$327,899	\$195,969 \$186,210	--	--
<b>Median Price</b>	\$345,000	\$209,000	\$281,500	\$167,000	--	--

Source: Multiple Listing Service, Goggins Real Estate, September 10, 2009

There were also a number of sales that are pending final agreement including 21 single-family homes, including a small 1910 farmhouse in Florence for \$125,000 and a three-bedroom Victorian on State Street for \$569,900. Eleven (11) condos were pending sale, from a \$172,900 two-bedroom townhouse to a \$395,000 unit in a large Victorian on Crescent Street.

There have also been a number of sales of multi-family structures including 26 sales in 2008 and 20 sales as of September 10 2009, ranging in price from a \$125,000 two-family to a \$545,00 six-unit property. The median price of a two-family house in both 2008 and 2009 was \$300,000 versus the average sales price of \$316,488.

*City Assessor data* on the assessed values of residential property in Northampton is presented in several of the following tables and provides some insights not only into the diversity of the existing housing stock but also the range of values for each dwelling type related to permanent housing. The information does not include group quarters such as rooming and boarding houses, residence halls or dormitories, and other congregate housing that includes non-transient shared living arrangements.

Table 3-27 provides information on the assessed values of single-family homes that includes 5,500 units, less than the 5,726 single-family detached units reported in the 2000 U.S. Census. Of these units, 3,443 or about 63% were assessed at less than \$300,000, 760 at less than \$200,000 and relatively affordable. Another 19.4% or 1,067 units were valued between \$300,000 and

\$400,000. The median valued single-family home was \$260,900 based on Assessor's records, somewhat higher than the median price based on sales of approximately \$250,000 in 2008, lower than the 2009 MLS listing of \$281,500 and the Warren Group July 2009 median figure of \$295,000.

**Table 3-27**  
**Assessed Values of Single-family and Mixed-use Properties**

Assessment	Single-family Dwellings		Mixed-Use Properties*		Total	
	#	%	#	%	#	%
0-\$199,999	760	13.8	3	2.2	763	13.5
\$200,000-299,999	2,683	48.8	21	15.7	2,704	48.0
\$300,000-399,999	1,067	19.4	24	17.9	1,091	19.4
\$400,000-499,999	550	10.0	20	14.9	570	10.1
\$500,000-599,999	237	4.3	21	15.7	258	4.6
\$600,000-699,999	108	2.0	11	8.2	119	2.1
\$700,000-799,999	46	0.8	8	6.0	54	1.0
\$800,000-899,999	28	0.5	6	4.5	34	0.6
\$900,000-999,999	7	0.1	6	4.5	13	0.2
Over \$1 million	14	0.3	14	10.4	28	0.5
Total	5,500	100.0	134	100.0	5,634	100.0

Source: Northampton Assessor, fiscal year 2009.

\* Includes 51 mixed-use properties that are primarily residential and 83 that are primarily commercial.

Table 3-27 also provides a count of mixed commercial and residential properties, 51 of which are included in buildings that are predominantly residential and 83 in those that are predominantly commercial. There is considerable variation in the values of such properties, ranging from only three (3) properties valued below \$200,000, to 20 to 24 units in the ranges of \$200,000 to \$600,000, and another 45 properties assessed beyond \$600,000 including 14 over a million-dollar properties.

Table 3-28 examines the values of condominiums, including 110 units at the former campground of Laurel Park that have been converted from summer bungalows to condos over a number of years, and 81 co-housing units at a couple of developments such as Pathway Co-Housing and Black Birch Trail. Co-housing is a hybrid form of housing that combines private and communal forms of living. Residents occupy individual, complete units, but may share additional kitchen, dining and recreational facilities, and ownership and project design may take a variety of forms.

The total number of traditional condos was 1,204 in fiscal year 2009 records with 92.6% of the units valued below \$300,000, 60.5% or 728 units valued below \$200,000, representing a significant segment of the City's relatively affordable housing stock. The median condo value was \$180,000, higher than the \$167,000 median in the 2009 MLS data and comparable to the Warren Group median of \$165,300 as of July 2009.

As demonstrated in Table 3-24, condos are susceptible to wide fluctuations in the housing market. Condo markets are historically slower to appreciate and faster to decline in value, and several years ago the value of condos rose disproportionately when the price of single-family homes reached an unprecedented high.

**Table 3-28**  
**Assessed Values of Condominiums**

Assessment	Condominiums		Laurel Park*		Co-Housing Units**		Total	
	#	%	#	%	#	%	#	%
0-\$199,999	728	60.5	94	85.4	9	11.1	831	59.6
\$200,000-299,999	386	32.1	16	14.6	59	72.8	461	33.0
\$300,000-399,999	55	4.6	0	0.0	10	12.4	65	4.7
\$400,000-499,999	24	2.0	0	0.0	3	3.7	27	1.9
\$500,000-599,999	10	0.8	0	0.0	0	0.0	10	0.7
\$600,000-699,999	0	0.0	0	0.0	0	0.0	0	0.0
\$700,000-799,999	1	0.08	0	0.0	0	0.0	1	0.07
\$800,000-899,999	0	0.0	0	0.0	0	0.0	0	0.0
\$900,000-999,999	0	0.0	0	0.0	0	0.0	0	0.0
Over \$1 million	0	0.0	0	0.0	0	0.0	0	0.0
Total	1,204	100.0	110	100.0	81	100.0	1,395	100.0

Source: Northampton Assessor, fiscal year 2009.

\* Former campground where units have been purchased and improved as condominiums.

\*\* Includes co-housing developments of Pathway Co-Housing and Black Birch Trail (also known as Rocky Hill Co-Housing).

Conversion of rental properties to condominiums has been a concern for many interested in promoting more housing diversity and affordable housing. There has been a considerable amount of such conversions going back to the 1970s and including:

- The McCormack block on South Street was legally converted to condos in the 1970s but units remain as rentals.
- The Old School Commons property involved the conversion of the Hawley Junior High School to condominiums in the 1980s.
- The River Run Condominium on Damon Road includes 252 condo units.
- The Clarke School has been in the process of selling buildings for conversion to condos.
- Property owners in and near the downtown have converted units to condos, now selling for more than \$300,000 in areas that were considered marginal decades ago.
- Factory housing and rowhouses close to downtown have been particularly hard-hit.

During the 1980s, the City planned to establish a moratorium on condo conversions, largely in response to the announcement that the McCormack block was going to be converted, although this was not ultimately approved. Northampton did pass another regulation that provides some limited control over condo conversions, based largely on measures that were established in Somerville, Cambridge and Brookline. These provisions insure that there are sufficient financial reserves incorporated into the conversion to protect both the new owners and the property when any major improvements become necessary.

Given current market conditions, condo conversions have stopped altogether. It has become, in fact, extremely challenging to secure financing for condos as lenders are applying much more rigorous lending criteria. Some condo associations are in trouble because, with the down economy, owners are failing to pay condo fees or assessments, putting entire developments in jeopardy.

Northampton also has several developments that the City Assessor maintains separately as they involve less traditional housing types. Laurel Park is a former campground where units have been individually

sold and improved over the years. There are also a couple of co-housing developments that are cooperative neighborhoods that include homes clustered around a common house with facilities that are shared by all residents (dining room, kitchen, play rooms library) and where parking is in lots as opposed to separate driveways. The co-housing concept originated in Denmark with a focus on knowing one's neighbors and providing a safe and nurturing environment for children.



**Rocky Hill Co-Housing Development (also known as Black Birch Trail)**

Assessor's data also indicated that the majority of the multi-unit dwellings that involved two- and three-family properties were assessed between \$200,000 and \$400,000 as shown in Table 3-29. About 60% of the four (4) to eight (8) unit properties were valued between \$300,000 and \$500,000 and about the same level of properties of more than eight (8) units were assessed above \$1 million. Assessor's data indicated that there were 902 two-family homes, 168 three-families, 171 structures of four to eight units and 37 with eight units or more. There were also 56 properties that involved more than one house on the same lot with a wide fluctuation in values.

**Table 3-29**  
**Assessed Values of Multi-family Properties**

Assessment	2/ 3-unit property		4 to 8-unit/8+ property		Multiple houses 1 lot		Total	
	#	%	#	%	#	%	#	%
0-\$199,999	10/1	1.1/0.6	0/0	0.0/0.0	2	3.6	13	1.0
\$200,000-299,999	410/24	45.4/14.3	20/0	11.7/0.0	7	12.5	461	34.6
\$300,000-399,999	349/81	38.7/48.2	61/1	35.7/2.7	10	17.9	502	37.6
\$400,000-499,999	84/34	9.3/20.2	44/0	25.7/0.0	12	21.4	174	13.0
\$500,000-599,999	24/21	2.7/12.5	27/0	15.8/0.0	11	19.6	83	6.2
\$600,000-699,999	8/4	0.9/2.4	9/2	5.3/5.4	3	5.4	26	2.0
\$700,000-799,999	7/2	0.8/1.2	6/4	3.5/10.8	4	7.1	23	1.7
\$800,000-899,999	4/0	0.4/0.0	0/5	0.0/13.5	2	3.6	11	0.8
\$900,000-999,999	4/1	0.4/0.6	2/3	1.2/8.1	2	3.6	12	0.9
Over \$1 million	2/0	0.2/0.0	2/22	1.2/59.5	3	5.4	29	2.2
Total	902/ 168	100.0/ 100.0	171/37	100.0/ 100.0	56	100.0	1,334	100.0

Source: Northampton Assessor, fiscal year 2009.

Table 3-30 provides additional data on the values of owner-occupied housing, summarizing data from Nielsen Claritas reports, a proprietary data source. This database indicates that the 2009 median house value is \$244,256, a bit higher than The Warren Group's median value for all sales of \$239,500. The Nielsen Claritas report suggests that the median value of the owner-occupied housing stock will increase to \$267,035 by 2014, representing fairly stable housing values into the next few years.

**Table 3-30**  
**Values of Owner-Occupied Housing Units**  
**2009 Estimates and 2014 Projections**

<b>Price Range</b>	<b>2009 Estimate</b>	<b>%</b>	<b>2014 Projection</b>	<b>%</b>
<b>Less than \$20,000</b>	0	0.00%	0	0.00%
<b>\$20,000 to \$39,999</b>	0	0.00%	0	0.00%
<b>\$40,000 to \$59,999</b>	16	0.25%	7	0.11%
<b>\$60,000 to \$79,999</b>	44	0.68%	34	0.52%
<b>\$80,000 to \$99,999</b>	86	1.32%	61	0.93%
<b>\$100,000 to \$149,999</b>	406	6.25%	281	4.29%
<b>\$150,000 to \$199,999</b>	1,534	23.63%	1,072	16.38%
<b>\$200,000 to \$299,999</b>	2,620	40.36%	2,712	41.43%
<b>\$300,000 to \$399,999</b>	895	13.79%	1,140	17.42%
<b>\$400,000 to \$499,999</b>	429	6.61%	567	8.66%
<b>\$500,000 to \$749,999</b>	375	5.78%	494	7.55%
<b>\$750,000 to \$999,999</b>	56	0.86%	137	2.09%
<b>\$1,000,000 or more</b>	30	0.46%	41	0.63%
<b>Total</b>	<b>6,491</b>	<b>100.00%</b>	<b>6,546</b>	<b>100.00%</b>
<b>Median Value</b>	\$244,256		\$267,035	

As to farther into the future, the Harvard MIT Joint Center for Housing Studies issued its State of the Nation's Housing 2009 report which indicated that the "echo boomers", the children of the post World War II baby boomer generation, offer a massive source of support for housing. The generation is entering the peak home buying and renting ages of 25 to 44 and numbers more than five million people more than did their parents' record-setting group in the 1970s. The study further states that while the echo boomers will likely bolster the housing market, they will also likely enter the market with somewhat lower real incomes than people the same age did decades ago. While there is a substantial population of young adults age 21 to 34 in Northampton, their numbers have been on the decline. It may be the significant presence of this age group that has provided the ballast to keep Northampton home prices from declining significantly. However, the study also suggests that the highest unemployment in almost 26 years, record foreclosures and rigid lending practices threaten to overcome emerging sales progress despite unprecedented efforts of the Obama administration. Such threats, tight lending practices in particular, are clearly impacting the condo market in Northampton.

#### *Rentals*

Table 3-31 presents information on rental costs from 1980 to 2000, based on the U.S. Census. The rental market has changed substantially as the median rent doubled between 1980 and 2000, going from \$326

per month to \$647. In 2000 about 60% of the City's rental units were renting in the \$500 to \$1,000 price range. It is also important to note that the census counts also include subsidized units.

**Table 3-31**  
**Rental Costs, 1980-2000**

Gross Rent	1980		1990		2000	
	#	%	#	%	#	%
<b>Under \$200</b>	1,460	30.2	685	12.5	480	8.7
<b>\$200-299</b>	2,051	42.5	365	6.6	318	5.8
<b>\$300-499 ***</b>	945	20.0	1,326	24.2	786	14.2
<b>\$500-749 ***</b>	213	4.4	2,221	40.5	1,958	35.5
<b>\$750-999</b>			622	11.3	1,324	24.0
<b>\$1,000-1,499</b>			143	2.6	431	7.9
<b>\$1,500 +</b>					23	0.4
<b>No Cash Rent</b>	161	43.3	127	2.3	198	3.6
<b>Total*</b>	4,830		5,489	100.0	5,518	100.0
<b>Median Rent</b>	\$326		\$530		\$647	

Source: U.S. Census Bureau, Census 1980, 1990 and 2000 Summary File 3

\* Number of rental units with data on gross rents/total number of rental units; percentage breakdowns exclude units counted without cash rent/all units counted

\*\* Figures in 1990 census data are listed as \$1,000 or more and do not break numbers into the \$1,500 or more range.

\*\*\* 1980 data is for costs from \$300 to \$399 and for \$400 or over.

Updated information from Craig's List on rental offerings in Northampton are offered below.

*One-bedroom Units*

- \$850 one-bedroom in an owner-occupied house in Florence Center
- \$880 for a one-bedroom condo near the downtown with hardwood floors and tile
- \$950 one-bedroom unit on the second floor of a newly renovated house with the bedroom in a loft space
- \$1,200 one-bedroom close to downtown

*Two-bedroom Units*

- \$900 two-bedroom on the second floor of a two-family house in a "cute, quiet neighborhood"
- \$950 for a two-bedroom condo for lease with pool access and other amenities with easy access to Route 91
- \$1,000 five-room two to three-bedroom apartment in the downtown with wood floors
- \$1,095 furnished two-bedroom in the lower half of a two-family house
- \$1,100 two-bedroom across from Smith College with about 1,000 square feet in a Victorian house
- \$1,100 two-bedroom in downtown, newly renovated multi-style loft apartment including a spiral staircase to bedroom space and an open kitchen and living floor plan
- \$1,375 two-bedroom ranch near Look Park

*Three-bedroom Units*

- \$1,250 three-bedroom duplex unit just off Main Street in the downtown with wood floors
- \$1,285 for a three-bedroom townhouse
- \$1,350 for a six-room, three-bedroom unit only a five-minute walk to the downtown
- \$1,375 for a three-bedroom renovated duplex with office and parking on a bus route
- \$1,950 three-bedroom in a renovated Victorian home near the downtown

*Four-bedroom Unit*

- \$2,000 for a four-bedroom Cape-style home near Smith College and walking distance to the downtown

Most of these apartments require first and last month's rent plus a security deposit equivalent to a month's rent. For a \$1,200 apartment, that totals \$3,600 right up-front in cash, an amount that many prospective tenants just do not have. Some listings include just a half-month's rent up-front, in addition to the first month's rent, as a "finders fee".

Rental property managers cite fairly similar rental price ranges. One indicated that she had just recently rented a "somewhat renovated" two-bedroom unit on West Street for \$850 that did not include utilities but did require first and last months rent as well as a security deposit. She mentioned that small efficiencies could rent for as low as \$600 and a three-bedroom house for at least \$1,200. She rarely sees large apartments of three-bedrooms or more come onto the market.

Another rental property manager suggested that one-bedroom apartments are renting for as low as \$650 but can easily go up to \$1,100, depending on size, condition and location. Two-bedroom units go from \$859 "and up from there". She also does not see many three-bedroom units become available. Houses that become available to rent are priced between \$1,100 (smaller homes in Florence) to \$2,100, with the median being between \$1,300 and \$1,400.

A third realtor commented on how the downtown market typically commands higher rents than those further out, including Florence. He suggested relatively similar price ranges as the others, and indicated that condo units rented at Old School Commons represent the high end of the market, going for \$1,200 to \$1,300 for one-bedrooms and \$2,200 for two-bedrooms. He also mentioned that there are very few larger apartments in the housing stock, and most of the three-bedroom rentals he sees are houses. A three-bedroom ranch in Florence would typically rent for between \$1,200 and \$1,400. He added that a few years ago landlords were more prone to get carried away with their pricing, attempting to get higher rents. However, landlords now tend to be more reasonable about what they can charge given current market conditions. He made another important point about the fact that renters pay the agent's rental fee, which is 60% of the monthly rent, as opposed to landlords paying the fee in most places. This fee represents another cost barrier to accessing housing in Northampton. He did suggest that only about 30% of the landlords he deals with exact first and last month's rent plus a security deposit with most charging two of the three.

With the exception of The Village at Hospital Hill and units that are being developed on a relatively small scale by the Valley CDC or through accessory apartments, no new rental housing is being built in Northampton.

### **3.2.5 Affordability of Existing Housing**

While it is useful to have a better understanding of past and current housing costs, with some sense of what the future may bring, it is also important to analyze the implications of these costs on affordability. Tables 3-29 and 3-30 attempt to look at affordability from two different vantage points. Table 3-29 calculates what households earning at various income levels can afford, and Table 3-30 examines some of the housing costs summarized above in Section 3.2.4, estimating what households must earn to afford these prices *based on spending no more than 30% of their income on housing expenses*, the commonly applied threshold of affordability.

Table 3-29 shows how different types of housing are more or less affordable to households earning at median income and at 80% of area median income. It also indicates that the amount of down payment has a substantial bearing on what a household can afford. During the past few years, it has been fairly easy for purchasers to limit their down payments on mortgage financing to 5% or even less as long as they paid private mortgage insurance or qualified for a subsidized mortgage program such as the state's Soft Second Loan Program. Given the recent financial crisis, lenders are now typically applying more rigid lending criteria including the need for 20% down payments. Such high cash requirements make

homeownership, particularly first-time homeownership, much more difficult. However, as Table 3-29 demonstrates, a household earning the same level of income can acquire a much higher priced home with more cash down.

Table 3-32 also shows that because condo fees are calculated as housing expenses in mortgage underwriting criteria, they are more expensive. Therefore, a household earning 80% of area median income, for example, can afford a single-family home of \$228,000 with a 20% down payment, but a condo for \$175,000, also with 80% financing. The same household is estimated to be able to buy a two-family house for \$340,000 if it can charge \$900 per month in rent as this income is also considered in mortgage underwriting, usually at about 75% of the rent level. A three-family house is even more affordable with two paying tenants and it is therefore not surprising that the triple-decker has been such a success as starter housing for those looking to enter into homeownership in some of the state's cities.

**Table 3-32**  
**Affordability Analysis I**  
**Maximum Affordable Prices Based on Income Levels**

Type of Proper	Income Level	30% of Monthly Income	Estimated Max. Affordable Price 5% Down ****	Estimated Max. Affordable Price 20% Down ****
<b>Single-family</b>	Median Income = \$51,796*/\$62,125**	\$1,294.90/ \$1,553.12	\$190,000/ \$230,000	\$228,000/ \$275,000
	80% AMI = \$49,700***	\$1,242.50	\$184,000	\$220,000
<b>Condominium</b>	Median Income = \$51,796*/\$62,125**	\$1,294.90/ \$1,553.12	\$155,000/ \$193,000	\$185,000/ \$230,000
	80% AMI = \$49,700**	\$1,242.50	\$145,000	\$175,000
<b>Two-family</b>	Median Income = \$51,796*/\$62,125	\$1,294.90/ \$1,553.12	\$295,000/ \$330,000	\$350,000/ \$380,000
	80% AMI = \$49,700**	\$1,242.50	\$285,000	\$340,000
		<b>30% of Monthly Income</b>	<b>Estimated Utility Cost</b>	<b>Affordable Monthly Rental</b>
<b>Rental</b>	Median Income = \$51,796*/\$62,125**	\$1,294.90/ \$1,553.12	\$135	\$1,159.90/ \$1,418.12
	80% AMI = \$49,700**	\$1,242.50	\$135	\$1,107.50
	60% AMI = \$37,260**	\$931.50	\$135	\$796.50
	30% AMI = \$18,650	\$466.25	\$135	\$331.25

Source: Calculations provided by Karen Sunnarborg.

\* Based on Nielsen Claritas database 2009 estimate.

\*\* Based on extrapolating median income from the 80% AMI HUD figure for a household of two (2).

\*\*\* HUD 2009 Income Limits for the Springfield MSA for a household of two (2), which is the average household size in Northampton.

\*\*\*\* Figures based on interest of 5.5%, 30-year term, annual property tax rate of \$11.48 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount for 95% financing, estimated monthly condo fees of \$250, and rental income of 75% of \$900 or \$675.



Table 3-32 also looks at what renters can afford at three different rent levels. For example, a two-person household earning at 60% of area median income and earning \$37,260 annually, could afford a monthly rental of about \$800, assuming they are paying no more than 30% of their income on housing and pay utility bills that average about \$135 per month. A rental this low is increasingly more difficult to find in Northampton, where the lowest rental advertised in September 2009 was \$850, that required first and last month's rent and a security deposit equivalent to a month's rent. This means that any household looking to rent in the private housing market must have a considerable amount of cash available, which has a significant impact on affordability.

Table 3-33 looks at affordability from another angle, going from specific housing costs to income instead of the other way around as was the case in Table 3-29. Taking median price levels for single-family homes, condos and two-family homes, the incomes that would be required to afford these prices are calculated, showing the differences between 95% and 80% financing. For example, using the median single-family home price as of July 2009, a household would have to earn \$80,000 if they were able to access 95% financing. If they could afford the 20% down payment, an income of \$68,500 would be required. The median condo price was \$165,300 in July 2009, requiring an income of \$54,800 with 5% down and \$47,500 with the 20% down payment. Once again, because of the income generated in a two-family home, this type of property is significantly more affordable. It is worth noting that the federal government has offered \$8,000 in subsidies to first-time homebuyers through the end of November 2009, which has helped promote sales in the lower price ranges and made homeownership more affordable.

**Table 3-33**  
**Affordability Analysis II**  
**Income Required to Afford Median Prices or Minimum Market Rents**

Type of Property	Median Price*	Estimated Mortgage		Income Required	
		5% Down	20% Down	5% Down	20% Down
<b>Single-family</b>	\$295,000/2009	\$280,250	\$236,000	\$80,000	\$68,500
	\$250,000/2008	\$237,500	\$200,000	\$67,300	\$56,300
<b>Condominium</b>	\$165,300/2009	\$157,035	\$132,240	\$54,800	\$47,500
	\$202,700/2008	\$192,565	\$162,160	\$64,750	\$55,850
<b>Two-family</b>	\$300,000/2009	\$285,000	\$240,000	\$53,600	\$40,400
	\$300,000/2008	\$285,000	\$240,000	\$53,600	\$40,400
	<b>Estimated Market Monthly Rental ***</b>	<b>Estimated Monthly Utility Costs</b>	<b>Income Required</b>		
<b>Rental</b>					
One-bedroom	\$850	\$100	\$38,000		
Two-bedroom	\$900	\$135	\$41,400		
Three-bedroom	\$1,250	\$165	\$56,600		

Source: Calculations provided by Karen Sunnarborg.

\* From The Warren Group Town Stats data

\*\* Figures based on interest of 5.5%, 30-year term, annual property tax rate of \$11.48 per thousand, insurance costs of \$1.25 per \$1,000 of combined valuation of dwelling value (value x 0.5), personal property (\$100,000 fixed), and personal liability (\$100,000 fixed), and private mortgage insurance estimated at 0.3125 of loan amount, estimated monthly condo fees of \$250, and rental income of 75% of \$900 or \$675. \*\*\* Lowest prices seen in September 2009 listings in Craig's List.

In regard to rentals, using the lowest prices advertised in September 2009 on Craig's List, a one-bedroom unit renting for \$850 would require an income of \$38,000, assuming \$100 per month in utility bills and

that housing expenses are no more than 30% of the household's income. Even so, someone earning minimum wage of \$7.25 for 40 hours per week and every week during the year would still only earn a gross income of \$15,080. Households with two persons earning the minimum wage would still fall very short of the \$38,000 income. Clearly there are rental opportunities that exist in Northampton that are well below the levels included in Table 3-30, subsidized and unsubsidized. Nevertheless, rents tend to be beyond the reach of those lower wage earners who have been experiencing great difficulty in finding decent and affordable places to live in Northampton. This relative scarcity of affordable rentals, particularly those with supportive services, was identified as perhaps the foremost housing need in the June 2009 meeting convened by the Northampton Housing Partnership with representatives of local and regional housing program and service providers.

Through the combination of information in Tables 3-32 and 3-33, it is possible to compute the affordability gap, typically defined as the difference between what a median income household can afford and the median priced unit on the market. The affordability gap would then be \$20,000 as of July 2009 for single-family homes, the difference between \$275,000 (based on the extrapolated median income figure for a household of two and 80% financing) and the median house price of \$295,000. There is currently no affordability gap for condos as the household earning at median income can well afford the median priced condo. However, the high costs associated with obtaining mortgage financing or the up-front cash requirements of renting an apartment effectively widen the affordability gap.

Table 3-34 identifies how many single-family homes and condos are available to those within various income categories and shows that more than half of the single-family homes and more than 80% of the condos are assessed as being affordable to those earning at or below median income, representing considerable affordability in the housing stock based on a number of assumptions including 80% financing. Once again, the ability to obtain financing, including issues related to credit history and case requirements, can provide substantial barriers to accessing housing. It is also important to note that this analysis is based on assessed values of all properties in Northampton, not what is available on the market (see Tables 3-25 and 3-26 for recent market activity and prices).

**Table 3-34**  
**Affordability Analysis III**  
**Relative Affordability of Single-family and Condo Units in Northampton, 2009**

Price Range Single-family/Condo*	Income Range	Single-family Homes Available in Price Range		Condominiums Available in Price Range	
		Number	%	Number	%
Less than \$220,000/ Less than \$175,000	Less than 80% AMI	1,398	25.4	598	49.7
\$220,001-\$275,000/ \$175,001-\$230,000	80% - 100%	1,563	28.4	381	31.6
\$275,001-\$330,000/ \$230,001-\$285,000	100% - 120% **	929	16.9	121	10.1
More than \$330,000 more than \$285,000	More than 120% **	1,610	29.3	104	8.6
<b>Total</b>		<b>5,500</b>	<b>100.0</b>	<b>1,204***</b>	<b>100.0</b>

Source: Northampton Assessor's Database for fiscal year 2009. Please note that as a standard practice, assessed value is assumed to be 93% of actual value or potential sale price. Figures based on a three-person household. \* Includes estimated condo fee of \$250 per month and figures are based on 80% financing.

\*\* Based on extrapolating 120% AMI from the 80% AMI HUD figure for a household of two (2) or \$74,550.

\*\*\* Does not include units at Laurel Park or in co-housing developments.

*In addition to an analysis of affordability based on spending no more than 30% of a household's income on housing expenses and how this relates to the existing housing stock and financing terms, it is also useful to identify numbers of residents living beyond their means based on their housing costs. The 2000 census provides data on how much households spent on housing whether for ownership or rental. Such information is helpful in assessing how many households are overspending on housing or encountering housing affordability problems, defined as spending more than 30% of their income on housing. Based on 1999 data, the census indicated that 332 households or 6.5% of the homeowners in Northampton were spending between 30% and 34% of their income on housing and another 805 or 15.8% of owners were spending more than 35% of their income on housing expenses. In regard to renters, 332 renters or 6.0% were spending between 30% and 34% of their income on housing and another 1,488 or 26.9% were allocating 35% or more of their incomes for housing. This data suggests that about 3,000 households or one-quarter of all Northampton households were living in housing that is by common definition beyond their means and unaffordable.*

HUD provides additional data on housing affordability problems through its CHAS report that identifies cost burdens by household type and whether they are renters or owners, offering a breakdown of households within specific income categories as summarized in Table 3-35. This report, based on 2000 census data for Northampton, indicates the following:

- Of the 11,783 households counted, 3,052 or more than one-quarter were spending more than 30% of their income on housing and 1,337 or 11.4% were spending more than half their income on housing including 779 renters and 558 owners.
- There were 1,488 households earning at or below 30% AMI, referred to by HUD as extremely low-income households, and half were spending more than 50% of their income on housing including almost half of the renters and two-thirds of the owners in this income category.
- There were 1,213 households earning between 30% and 50% AMI, referred to by HUD as very low-income households, and almost 30% were spending more than half their income on housing including one-quarter of all renters and one-third of the owners.
- Of the 1,876 households earning between 50% and 80% AMI, which HUD defines as low-income households, 760 were spending too much on housing including 403 renters and 357 owners with 144 households spending at least half of their income on housing.
- Altogether there were 4,577 households with incomes within 80% AMI suggesting that at least in 2000, almost 40% of all households may have qualified for housing assistance based on their income, without consideration for financial assets.
- There were 818 renters and 1,658 owners over the age of 65, 630 of whom were experiencing cost burdens including at least 213 who were spending at least half their income on housing expenses.

**Table 3-35**  
**Type of Households by Income Category and Cost Burdens,\* 2000**

Type of Household	Households Earning < 30% MFI/# with cost burdens	Households Earning > 30% to < 50% MFI/ # with cost burdens	Households Earning > 50% to < 80% MFI/# with cost burdens	Households Earning > 80% MFI/ # with cost burdens	Total/# with cost burdens
<b>Elderly Renters</b>	263/98 (49)	242/119 (45)	149/39	164/4	818/260
<b>Small Family Renters</b>	199/145 (110)	145/65	279/85	580/35	1,203/330
<b>Large Family Renters</b>	4/4	16/4	27/4	45/0	92/12
<b>Other Renters</b>	749/459 (405)	330/285 (135)	665/275	1,624/29	3,368/1,048
<b>Total Renters</b>	1215/706(564)	733/473 (190)	1,120/403 (25)	2,413/68(0)	5,481/1,650(779)
<b>Elderly Owners</b>	142/118 (64)	293/154 (55)	283/48	940/50	1,658/370
<b>Small Family Owners</b>	63/59 (55)	119/70 (70)	280/200	2,690/239	3,152/568
<b>Large Family Owners</b>	4/4 (4)	4/4 (4)	58/19	364/39	430/66
<b>Other Owners</b>	64/60 (60)	64/54 (25)	135/90	799/190	1,062/394
<b>Total Owners</b>	273/241 (183)	480/282 (155)	756/357(119)	4,793/518(101)	6,302/1,398(558)
<b>Total</b>	1,488/946(747)	1,213/755(345)	1,876/760(144)	7,206/586(101)	11,783/3,052 (1,337)

Source: U. S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2000.

MFI indicates median family income. \*Cost burdens indicate that households are spending more than 30% of their income on housing. The CHAS data also provides data on those spending more than 50% of earnings on housing as indicated by parentheses ( ).

Large-family households are defined as having five (5) or more members, small families with two (2) to four (4) members.

Housing costs rose precipitously after 2000, and it is likely that even more households in Northampton experienced significant cost burdens over the past nine (9) years. Moreover, given recent housing finance problems associated with high cost mortgages from predatory lenders, it is likely that some homeowners in Northampton have even lost their homes or are confronting possible foreclosure. Recent information on the *level of foreclosures* indicates that from March through August of 2009, there were 19 foreclosures in Northampton. Relative to other towns and cities in the state from July through August 2009, Northampton had more foreclosed properties than 160 towns, the same amount as 24 towns and fewer foreclosed properties than 183 towns with four (4) foreclosures during this period.<sup>10</sup>

With CPA funding support (\$26,211 in 2008) as well as a grant from the Community Foundation of Western Massachusetts (CFWM) of \$410,000, based in Springfield, and \$5,000 from the state's Department of Banks (DOB), the Valley CDC has been providing counseling to those living in Hampshire County who are at risk or actually facing foreclosure. Last year the CDC provided this counseling to more than a hundred households, many of which were able to refinance their house or modify their existing mortgage.

<sup>10</sup> Data available from ForeclosuresMass database.

### **3.2.6 Subsidized Housing Inventory and Housing for the Homeless**

#### *Current Inventory*

The state currently lists 1,452 affordable housing units in Northampton's state-approved Subsidized Housing Inventory, 11.82% of the total year-round housing stock of 12,282 units. Therefore, the city has passed the Chapter 40B 10% affordability threshold and is not subject to unwanted comprehensive permit projects that would enable developers to override local zoning in exchange for insuring that at least 25% of project units are affordable based on state guidelines.<sup>11</sup> In 2011, the results of the 2010 census will become available and the number of year-round housing units will increase and thus the 10% affordability goal will also go up. Based on housing growth since 2000, it is likely that the number of year-round housing units will be somewhat short but closer to 13,000, but Northampton will still remain well over the 10% goal by at least 150 units, assuming no fall-off in existing SHI units. However, it appears that despite a City investment of \$1 million in Housing Trust Funds a number of years ago to maintain affordability, the 207 units at Hathaway Farms may no longer be eligible for counting as part of the SHI, although some tenants still have Section 8 subsidies to enable them to stay in their units. Recently completed projects (Paradise Pond with 12 rental units, Bedford Terrace with 24 units/ see photo below, 9 units at the CDC's School Street project, Hillside Place with 40 units, etc.) should help offset this loss but Northampton will likely be very close to the 10% level when the 2010 census results are released.



Photo: Dietz & Company Architects, Inc.

#### **Bedford Terrace Renovations to the Existing Building**

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<sup>11</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

Unlike Northampton, most communities in the state are confronting challenges in boosting their relatively limited supply of affordable housing including some of Northampton's neighbors with the following affordable housing levels, visually presented in Figure 3-5.

1. Amherst – 1,016 units (11.1%)
2. Easthampton – 471 units (6.7%)
3. Hadley – 257 units (13.2%)
4. Hatfield – 47 units (3.3%)
5. **Northampton – 1,252 units (11.8%)**
6. Westhampton – 0 units (0.0%)
7. Williamsburg – 83 units (7.9%)

Clearly affordable housing production varies substantially among these communities with Amherst, Northampton and Hadley above the 10% state affordability thresholds, with Easthampton and Williamsburg in the middle at 6.7% and 7.9%, respectively, Hatfield at 3.3%, and Westhampton at zero although the town is in the process of developing some affordable housing.<sup>12</sup>

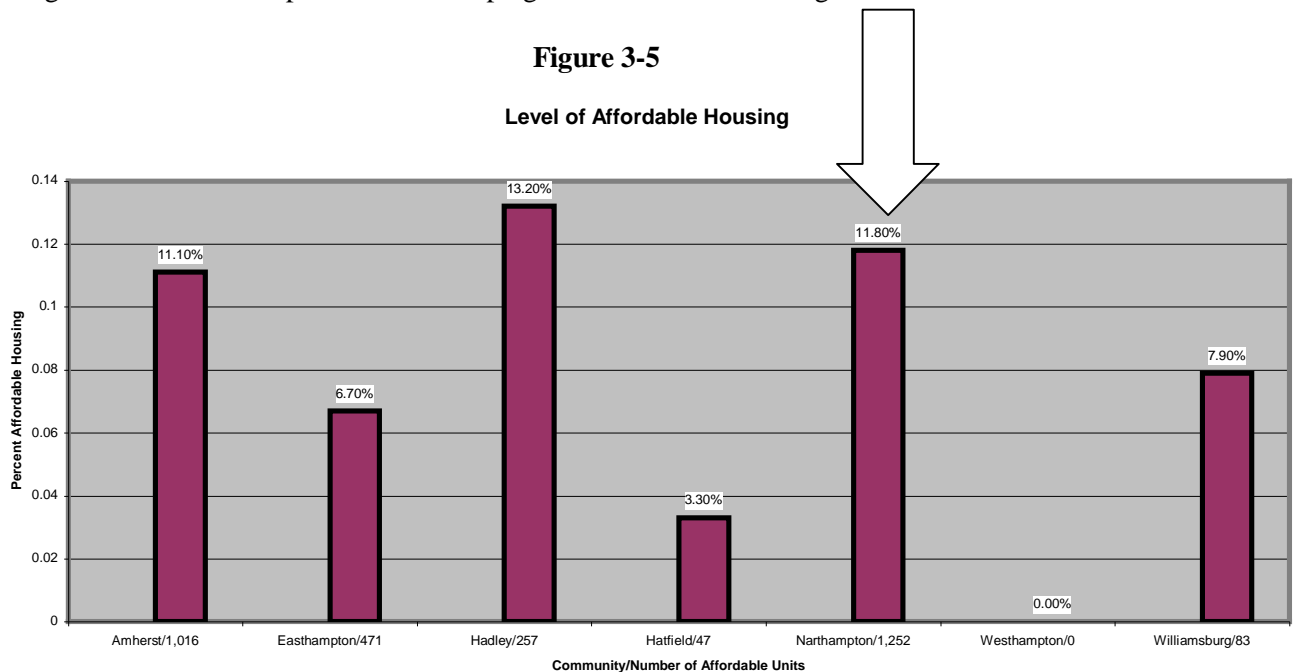


Table 3-36 summarizes the units included in the Subsidized Housing Inventory (SHI), the list of affordable dwelling units that the state recognizes as eligible for counting towards Northampton's 10% state affordability goal. Almost all of Northampton's listed 1,452 SHI units are rentals that total 1,433 units or 98.7%, including 45 special needs units in group homes. Northampton has 25 units through group homes managed by the state's Department of Mental Retardation (DMR) and another 20 units through the state's Department of Mental Health.

<sup>12</sup> The Town is producing seven (7) rental units for seniors with the Hilltown CDC, including four (4) affordable units and three (3) market ones as part of the first phase of a project that will ultimately include 20 total units.



**Table 3-36**  
**Northampton's Subsidized Housing Inventory**

<b>Project Name</b>	<b># SHI Units</b>	<b>Project Type/ Subsidizing Agency</b>	<b>Use of a Comp Permit</b>	<b>Affordability Expiration Date</b>
Florence Heights*	49	Rental/HUD (for families)	No	Perpetuity
MacDonald House*	60	Rental/HUD (seniors/disabled)	No	Perpetuity
Hampshire Heights*	80	Rental/DHCD (for families)	No	Perpetuity
Cahill Apartments*	64	Rental/DDCD (seniors/disabled)	No	Perpetuity
Forsander Apartments*	72	Rental/DHCD (seniors/disabled)	No	Perpetuity
Salvo House*	192	Rental/DHCD (seniors/disabled)	No	Perpetuity
State Street House*	6	Rental/DHCD (families)	No	Perpetuity
Tobin Manor*	49	Rental/DHCD (seniors/disabled)	No	Perpetuity
Bridge Street House*	7	Rental/DHCD (special needs)	No	Perpetuity
Scattered Site*	8	Rental/DHCD, MHP (families)	Yes	Perpetuity
Millbank I* NHA-owned units in existing condo	4	Rental/DHCD, HUD (families)	No	Perpetuity
Green Street/Smith College – Her, Inc.	15	Rental/DHCD	No	2037
Florence Inn/Services Thru ServiceNet	14	Rental (enhanced SRO's)/ FHLBB	No	2025
Hampshire Inn/Valley CDC – HAP manages	8	Rental/DHCD	No	2007
Hampton Court	77	Rental/DHCD	No	2025
Hathaway Farms	207	Rental/DHCD+MassHousing	No	2014
Leeds Village Apts.	19	Rental/MassHousing	No	2018
Country Lane Estates/ POAH refinanced expiring use project	252	Rental/MassHousing	No	2034
Millbank II - Michelman/ Valley CDC – HAP manages	24	Rental/HUD, MassHousing + DHCD	No	2032
Pine's Edge	8	Ownership/DHCD	Yes	2031
St. Michael's House	86	Rental/MassHousing	No	2012
The Lorraine/HAP	20	Rental/DHCD	No	2030
Go West SRO/Valley CDC	17	Rental (Enhanced SRO's)/ DHCD	No	2035
Village at Hospital Hill Phase I – Hilltop Apts/ TCB	33	Rental/DHCD	No	2034
Ice Pond Drive/TCB	8	Mix/DHCD and HUD	No	2103
Valley Homes Project/ Valley CDC	4	Mix/DHCD and HUD	No	2016
New South Street Apt./ Valley CDC with HAP as project manager	18	Rental/DHCD and HUD	No	2027
Westhampton Road/ Habitat	6	Ownership/HUD	No	2057

DMR Group Homes	25	Special Needs Rental/DMR	No	NA
DMH Group Homes	20	Special Needs Rental/DMH	No	NA
<b>SUBTOTAL</b> (units on SHI)	1,452/ 1,245**	1,428 rentals 45 group homes 14 ownership 10 mix of ownership/rental	Only 16 units used the con permit	591 units (40.7%) with restrictions in perpetuity
Smith replacement units Bedford Terrace	24	Rental	No	Perpetuity
Village at Hospital Hill Hillside Place/TCB	36	Rental	No	Perpetuity
School Street/ Valley CDC	9	Rental/DHCD	Yes	Perpetuity
Yvonne's House	6	Special Needs Rental	No	Perpetuity
Paradise Pond/HAP	12	Special Needs Rental	No	Perpetuity
Mary McColgen Apts.*	6	Special Needs Rental	No	Perpetuity
<b>SUBTOTAL</b> (units to be added to SHI)	93	All rentals		
<b>TOTAL</b>	1,545/ 1,338**			

Source: Massachusetts Department of Housing and Community Development, June 1, 2009

\* Northampton Housing Authority units \*\* Unit count without Hathaway Farms.

Table 3-36 also lists a number of additional developments that should be added to the Subsidized Housing Inventory that will bring the total to 1,545 units or 12.6% of the city's year-round housing units (10.9% without Hathaway Farms). As noted in the table, however, there are a number of projects where the affordability restrictions are due to expire that might lead to some loss of SHI units in the future. Efforts should be made to monitor these expiring use units and intervene if necessary to try to maintain affordability.

The Northampton Housing Authority (NHA) manages a total of 618 units (42.6% of the SHI units), 26 of which are not included in the SHI including 20 units at Grace's House Shelter and six (6) units of special needs housing at Mary McColgan apartments. A summary of NHA units is included in Table 3-37 below.

**Table 3-37**  
**Northampton Housing Authority Units**

Development Name and Number*	# Units	Bedroom Size				Approved Off Line	Of Total HP Modified
		1	2	3	4		
Hampshire Heights (200-1)	80	0	41	36	2	1	2
Florence Heights (26-1)	50	0	23	22	4	1	1^
McDonald House (26-2)	60	54	6	0	0	0	9
Cahill Apartments (667-1A)	64	64	0	0	0	0	0
Forsander Apts. (667-1B)	72	72	0	0	0	0	0
Salvo House (667-2A)	192	189	2	0	0	1	5
State St. House (167-1 and 705-3)	6	5	0	0	1	0	2



Tobin Manor (667-3)	49	47	0	0	2	0	3
Scattered Site (705-1)	8	0	0	8	0	0	1
Millbank Apts. (705-2)	4	0	4	0	0	0	4
Bridge St. House (689-1)	7	3	4	0	0	0	2
Grace's House Shelter (689-2)	20	20	0	0	0	0	0
Mary McColgan Apts. (689-3)	6	6	0	0	0	0	2
<b>Total</b>	<b>618</b>	<b>462</b>	<b>78</b>	<b>66</b>	<b>9</b>	<b>3</b>	<b>31</b>

Source: Northampton Housing Authority, as of July 2009.

\*Indicates type and round of financing. ^ Indicates partially modified unit.

Table 3-38 also provides a breakdown of NHA units by the size of elderly or family housing (number of bedrooms) and those applicants on the wait list whose eligibility has finally been determined and they are ready to be housed and those others who have been determined eligible on a more preliminary basis (income, family composition) but have not completed the full application process (landlord references, CORI, etc.). The longest family that has been waiting for a unit applied over two (2) years ago.

**Table 3-38**  
**Northampton Housing Authority Housing Unit Wait Lists**

<b>Program</b>	<b>Units</b>	<b>Bedroom</b>	<b>Final Eligibility</b>	<b>Initial Eligibility/Pending</b>
Federal Elderly	60	1	34	42
State Elderly	379	1	14	49
State Family	45	2	8	22
State Family	42	3	3	21
State Family	2	4	2	12
Federal Family	50	All	4	55
<b>Total</b>	<b>578</b>	<b>--</b>	<b>65</b>	<b>201</b>

Source: Northampton Housing Authority, as of July 1, 2009.

In 2008, NHA turned over about 100 units, most of them for the elderly/disabled. Due to preferences, there is no accurate measure of the average time on the wait list. If an applicant is age 62 or older, they go to the top of the state elderly waiting list, above younger applicants with disabilities age 55 to 62 and above those younger than that as well. If you are a victim of domestic violence or homeless due to no fault of your own, you would jump to the top of the appropriate list. The applicant that has been on any of the elderly wait lists the longest applied more than two (2) years ago.

More than half of the tenants in elderly housing have a disability including a substantial number of veterans with substance abuse problems, a specialty of Northampton's VA Hospital, and a large number of Department of Mental Health (DMH) clients. NHA has been particularly challenged by youth who "age-out" of the state's Department of Social Services facilities, qualify as disabled and need to find new and affordable places to live, as they are too frequently disruptive and destructive.

Of the actual senior population living in NHA housing, approximately 80% are White, almost 20% are Hispanic with the remaining few being Black or African-American. In regard to family housing, about 50% of the tenants are Hispanic, 40% White and about 10% Black or Asian. As

indicated in Table 3-5, Northampton has historically had a very small minority population, Black or African-Americans in particular.

NHA also administers leased housing programs that offer rental subsidies to qualifying households renting units in the private housing market, filling the gap between an established market rent – the Fair Market Rent (FMR) – and a portion of the household’s income.<sup>13</sup> The number of rental subsidies by program is summarized below.

**Table 3-39**  
**Number of Rental Subsidies by Program**

<b>Rental Subsidy Program</b>	<b>Number of Units/Vouchers</b>
Section 8 Program	153
Hathaway Farms – Section 8 Preservation	95
MRVP	25
AHVP	9
Florence Inn – Section 8 Moderate Rehab	14
The Maples – Section 8 Moderate Rehab	11
<b>Total</b>	<b>307</b>

Source: Northampton Housing Authority, as of July 2009.

There is substantial demand for NHA rental subsidies. The last time they opened their wait list was in October 2006, when they had 700 applicants. In 2008, NHA purged this list, eliminating a majority of applicants, nevertheless, the last person offered a voucher was in October 2006. NHA still has 140 applicants on the wait list, 31 with a preference, meaning that they live or work in the NHA jurisdiction that includes Belchertown, Easthampton, Williamsburg, Goshen, Cummington, Huntington, Westhampton, Middlefield and Chesterfield in addition to Northampton. The Authority believes that it will work through its existing waitlist by 2012 and will not likely open it again until the summer of 2011. Therefore, it will probably have taken the last person left on the current waitlist about six (6) years to receive a voucher – a very long wait.

Another important partner in housing development is the Valley CDC with 71 units in five (5) separate projects and another recently completed project at 46-48 School Street that should be added to the SHI. This development includes nine (9) rental units and used the Chapter 40B comprehensive permit process, a relative rarity in Northampton. It involved a combination of rehab and new construction and multiple sources of financing including HOME funds, state Housing Stabilization Funds, CDBG, Commercial Area Transit Neighborhood Improvement Program (CAT-NIP), and Smith College replacement housing funding. They are in the process of developing another property on North Maple Street as well as one on King Street that together will create 21 affordable SRO units. The organization also provides a wide range of other housing and economic development programs and services as described in Section 3.5.

HAP, Inc., the regional non-profit housing organization has also been involved in property development and management in Northampton. The organization developed The Lorraine, a 20-unit rental project in which it continues to manage, as well as the Paradise Pond Apartments that provides one (1) transitional unit as well as 12-units of permanent family rental housing. They also manage properties that were developed by the Valley CDC.

The Community Builders (TCB) is the developer of the Village Hill (Hospital Hill) project involving the redevelopment of the former Northampton State Hospital. The first phase of the Village at Hospital Hill was Ice Pond Drive, an eight-unit project with a mix of six (6) homes and two (2) accessory apartments.

<sup>13</sup> Northampton uses 110% of HUD’s FMR as its payment standard.



Photo: Dietz & Company Architects, Inc.

**Ice Pond Drive – First Phase of the Village Hill Development**

TCB also developed 33 units of rental housing through the Hilltop Apartments development as well as another 40-unit rental development at Hillside Place. A Request for Proposals was issued for 25 bungalow units to be developed as workforce housing in the \$250,000 to \$350,000 price range.



Photo: Dietz & Company Architects, Inc.

**Village Hill – Hillside Place Apartments**





Photo: Dietz & Company Architects, Inc.

### **Village Hill – Hilltop Apartments**

The Village Hill project involved a Smart Growth Overlay District that was approved as part of the state's Chapter 40R regulations (see Appendix 3 for more details on 40R).

It should also be noted that considerable additional work has already occurred at the former Northampton State Hospital site, beyond The Village Hill development. Four (4) parcels were deeded directly to NHA, the West Street parcel behind the former Jessie's House was developed as the Paradise Pond Apartments by HAP, the Grove Street parcel was developed for DMH clients, the Burts Pit Road parcel is slated for use by DMR, and the Laurel Street parcel is planned to be developed for homeownership.

Pioneer Valley Habitat for Humanity has developed six (6) new homes on Westhampton Road on a lot that was acquired by the City with CDBG funding and other sources to provide a neighborhood housing buffer from a planned landfill expansion, a tot-lot, walking trails, in addition to the housing. Another market rate lot was sold to help defray project costs. The organization built two (2) condo units on Ryan Road, two (2) condos on Pine Brook Curve, one (1) single-family on Cahllane Terrace, and another two condos at Vernon Street and Forbes Avenue, which are not included in the SHI. They are currently developing five (5) single-family homes on Garfield Avenue.

### Homeless Housing Options

While not eligible for counting as part of the City's Subsidized Housing Inventory because they are not permanent units but temporary housing, the City has two (2) year-round emergency shelters for individuals:

- *Grove Street Inn*  
The building was originally a farmhouse that was part of the Northampton State Hospital that is now owned by the City of Northampton and operated by ServiceNet, Inc. It has capacity for 20 to 24 beds for both men and women and is always full with an average of 40 to 50 people on the wait list.
- *UVA Homeless Shelter in Leeds*  
This 80-bed facility is located at the Veterans Administration Campus in Leeds and is administered by the United Veterans of America. The shelter serves veterans throughout the New England area and includes the services of Soldier On.

The City also completed a permanent site for the Interfaith Cold Weather Cot Program as a winter overflow center for the homeless on Center Street, administered by ServiceNet, Inc.

Northampton also has an emergency shelter for families through Safe Passages, serving five (5) families who have been victims of domestic violence. Jessie's House is the only other family shelter in Hampshire County but can only accommodate eight (8) families, although 90 requests to live there are received monthly. Approximately 42 families are served annually.

The city also has several transitional shelters that provide temporary shelter, typically for a period of up to two (2) years, including some supportive services. The need for transitional housing has been long-standing in Northampton as homeless get stuck in the emergency shelter system as there are few options in which to transition into. The current transitional housing options include the following:

- Grace House, serving nine (9) families;
- Hairston House at the Cooley Dickinson Hospital that provides a sober house for up to 17 adult men, staying for an average of three (3) to six (6) months;
- Soldier On Transitional Housing for 35 veterans, also a sober house;
- The Valley Inn, operated by ServiceNet Inc., for homeless people with mental illness that has 12 rooms and serves approximately 25 annually;
- The YWCA Transitional Living Program for formerly battered young mothers with children with a capacity of five families at any time;
- The Florence Inn, owned and operated by ServiceNet, for formerly homeless men and women with 14 rooms; and
- Paradise Pond, developed by HAP, Inc. will include 12 units of family rental housing that includes 1 transitional unit. Grace's House will provide supportive services.

There is outstanding demand for transitional units serving the more generic population beyond those for veterans or with mental health or substance abuse problems towards which most of these units are targeted.

#### *Projects in Development or Recently Completed*

There are other affordable housing units that are being developed including the following:

- *16 North Maple Street (The Maples)*  
The Valley CDC is renovating this property into an 11-unit SRO with Project-Based Section 8 subsidies, federal McKinney funding, a state Housing Innovations Fund (HIF) commitment and \$250,000 from CPA. The project will provide housing for both men and women confronted with homelessness.

- *98 King Street*  
The Valley CDC has acquired this property with a state CEDAC acquisition loan to develop ten (10) enhanced SRO units, once again using CEDAC's Housing Innovation Fund (HIF) and \$225,000 from CPA. Smith College is providing \$550,000 in funding to support the project. The project was also awarded five (5) units of Project-based Section 8 assistance to enable the CDC to provide housing for five (5) homeless individuals, the other five (5) units targeted to those who will be able to pay about \$500 in rent.
- *Additional Phases of Village Hill*  
MassDevelopment required changes in the project's Master Plan for the next stage of the development. A total of approximately 25 new bungalow units will be built with a mix of market and workforce units with prices ranging from \$250,000 to \$350,000. The affordable units will be directed to DMH clients. A total of 327 housing units have been approved for the Village Hill project in total.
- *Bedford Terrace*  
This project was developed as replacement housing through Smith College, including a total of 26 units, 24 of which are affordable, involving the renovation of an existing building as well as new construction.



Photo: Dietz & Company Architects, Inc.

**Bedford Terrace Replacement Housing with Six Additional Units**

- *Smith Replacement Housing*  
Smith College agreed to create a fund to develop replacement housing for the market rate affordable housing that would be demolished to accommodate campus expansion, an effort representing a collaboration between the City, the College, and area housing advocates.

Smith owned 66 units in the West Street neighborhood, and 26 units were eliminated in the first phase of construction but replaced at Bedford Terrace. Fifteen (15) affordable units at Green Street have also been relocated by Her, Inc.

- *The Oaks*  
This privately-developed subdivision received waivers from the Northampton Planning Board, and as a condition of approval, the Planning Board required that of the 70 total homeownership units, eight (8) to ten (10) be developed as affordable. This project is currently on hold given market conditions.
- *Paradise Pond*  
As mentioned above, this project on former State Hospital land was conveyed to the Housing Authority and developed by HAP, Inc. into a mix of 12 permanent housing units for families and one (1) transitional family unit. The adjacent Grace's House will provide service support. The City earmarked \$112,500 in CDBG towards the project.
- *Laurel Street*  
This project is planned to include six (6) duplexes for a total of 12 units on a property that was also deeded to the Housing Authority by the former Northampton State Hospital.
- *Leeds Veteran Village*  
Soldier On is developing a limited equity housing project to create permanent affordable housing for formerly homeless veterans on the VA campus in Leeds.
- *Garfield Avenue Habitat Project*  
The Pioneer Valley Habitat for Humanity is in the process of developing five (5) single-family homes on Garfield Avenue in Florence.

### **3.3 Priority Housing Needs**

Based on input from a wide variety of sources (i.e., visioning analysis during the Sustainable Northampton Master Plan process, the development of Northampton Vision 2020 and the Grow Smart Northampton Plan, Executive Order 418 certification process, Three County Continuum of Care Goals and Objectives, consultations with service providers, feedback from public forums), the following priority housing needs have been identified that reflect the continuum of housing opportunities that should be provided:

#### *Homelessness Prevention*

There is documented evidence that it is far less costly to preserve tenancies than to provide shelter and services to those having lost their housing. A recent report compiled by the Cape Cod Commission tracked 51 individuals over the course of a one-year period and found it cost almost \$50,000 annually to provide emergency housing and services to the homeless.<sup>14</sup> The *All Roads Lead Home* Plan to end homelessness indicates that Massachusetts pays on average of \$2,940 per month to maintain a family in a homeless shelter, not including case management and services, which typically costs about \$50,000 per family given stays of 15 months on average.

The Tenancy Preservation Program, special federal funding such as the Homelessness Prevention and Rapid Re-housing Program (HPRP), tenant and landlord mediation efforts, regional networks for rapid re-housing, and other housing stabilization programs are highly effective ways to

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<sup>14</sup> Lee M. Hamilton, "Costs of Homelessness: A Study of Current and Formerly Chronically Homeless Individuals on Cape Cod, Massachusetts", February 2009.



preserve housing for those at-risk of homelessness. Providing cash assistance for rent or utility arrears to keep an individual or family in their current housing is the most cost-effective response to preventing homelessness. As the *All Roads Home Plan* further states, “Prevention must be a key part of our strategy, because it is humane, cost-effective, and critical to ending homelessness”.<sup>15</sup>

*Emergency and Transitional Shelters and Rapid Re-housing Efforts*

For those who become homeless, Northampton does have a number of emergency and transitional shelters that are listed above in Section 3.2.6. These temporary shelters have reflected a crisis management response to helping the homeless, saving many lives. Once in the shelter system, agencies and organization have focused on providing services and programs to move these individuals and families into permanent housing. The *All Roads Lead Home Plan* indicates that there is a regular ongoing movement of homeless people from one shelter to another up and down the I-91 corridor, either in search of additional services or better shelter. The Plan goes on to say that this movement in fact extends the period of homelessness as caseworkers start over at each new location, the homeless lose ties to family and friends who may provide support, address changes mean lost mail, and health care and mental health services are disrupted.

Northampton’s HUD Consolidated Plan indicates that wait lists for the City’s shelters continue to grow and offers the following information regarding the homeless population:

- Higher percentages of people between age 17 and 24 are entering the shelter system who require more intensive case management given their high level of need, lack of income and inadequate life skills. Almost one-quarter of those served at the Grove Street emergency shelter are in this age range, most of whom were not prepared to be on their own following release from the Department of Social Services (DSS) system. Northampton also has experienced a relatively high number of transient gay, lesbian and bisexual youth entering the shelter system.
- About 25% of those in the shelter system are women, many of whom have experienced domestic violence, with close to 70% of these women lacking employment histories or job skills.
- Typically about 30% of the shelter population includes veterans, many of whom are not eligible or resistant to VA services.
- An average of 25% of those served in the shelters have work histories and an additional 25% have jobs or are enrolled in educational or training programs while living in the shelters.
- About 40% of emergency shelter residents are likely to return to the shelter system within one year after they leave.
- Massachusetts Department of Mental Health (DMH) staff estimate that there are generally between 25 and 35 unsheltered individuals on the street at any time and approximately 30 more doubled-up with friends or family. These numbers swell during the summer, particularly for homeless youth.
- DMH also estimates that on average there are 35 to 50 people with severe mental illness, often with substance abuse problems as well, that are at risk of homelessness annually and require subsidized housing. The homeless mentally ill make-up 10 to 20% of the sheltered population.

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<sup>15</sup> “All Roads Lead Home: The Pioneer Valley’s Plan to End Homelessness”, supported by the cities of Holyoke, Northampton and Springfield, MA, and funding from One Family, Inc. for the Pioneer Valley Committee to End Homelessness (PVCEH), February 2008, page 2.



While no one is suggesting that the shelter system be immediately dismantled because of the problems listed above, there has been a shift from focusing all resources on crisis management to preventing homelessness by immediately providing housing with wrap-around services as needed through a rapid response Housing First model that has proven effective in other places around the country. “Housing First” is an alternative to the current emergency and transitional shelter system of providing temporary housing for the homeless and is premised on the belief that vulnerable and at-risk homeless families and individuals are more responsive to interventions and social service support *after they are in their own housing*, rather than while living in temporary facilities. With permanent housing these people can begin to regain the self-confidence and control over their lives that they lost when they became homeless. Created as a time-limited relationship designed to empower participants and foster self-reliance, not engender dependence, the Housing First intervention 1) helps the homeless move directly to affordable rental housing in residential neighborhoods as quickly as possible and 2) then provides six months to one year of individualized, home-based social services support “after the move” to help each household transition to stability. The cost of this strategy is about \$16,000 per year, significantly less than the costs of emergency shelter and services. In this model, chronically unstable individuals and families are provided with a deeply subsidized housing unit and supportive services, which may include case management, health and mental health care, drug and alcohol counseling, job counseling and placement, life skills classes, financial literacy training, parenting classes, children’s programs and support groups, etc. Studies have demonstrated that more than 80% of households served by a Housing First program achieve and maintain housing stability.

This program is in the early stages of development in the Pioneer Valley, to be coordinated by the Western Massachusetts Network to End Homelessness (WMNEH) of which the City of Northampton is a participant. This organization is one of ten (10) regional entities that have been funded by the state’s Interagency Council on Housing and Homelessness (ICHH). Progress has in fact already been made in Northampton with the development of six (6) such units at Yvonne’s House that included CPA funding.

#### *Producing and Preserving Affordable Housing*

Finally, the City needs to focus on increasing the supply of affordable housing at a variety of levels of affordability, including both rental and homeownership options. Many of the existing affordable units are included in the Subsidized Housing Inventory summarized in Table 3-33 or rented on the private market through rental subsidy programs that make up the difference between a fair market rent and what a low- or moderate-income household can afford.<sup>16</sup> There are other existing units that while not subsidized, still should be preserved to the greatest extent possible as they provide some level of relative affordability and help diversify the housing stock.

The City’s HUD Consolidated Plan presents housing needs related to housing the homeless as well as increasing the supply of affordable, permanent housing<sup>17</sup> units for various levels of affordability that include the following, with some minor changes, in order of priority. It should

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<sup>16</sup> It should be noted, however, that those with Section 8 housing vouchers, or with rental subsidies from other comparable programs, have experienced difficulties in finding suitable housing in the private market because of high rents. In fact, about half of other those who experience evictions have housing subsidies that they have been unable to use.

<sup>17</sup> “Permanent housing” refers to units that are created for year-round use where the terms of occupancy are granted through a lease, in the case of rental housing, or a title/deed, in the case of homeownership.

be noted that specific strategies and production goals to meet these needs will be detailed in the Affordable Housing Plan that will incorporate this Housing Needs Assessment.

*1. Rental Housing for Individuals*

There is a clear need for enhanced SRO units or one-bedroom units for those with lower-paying jobs who are encountering serious difficulty finding housing that they can afford in Northampton. Some of these individuals have disabilities, others do not. Some are younger, looking for opportunities to live in Northampton, while others are older, perhaps divorced with children who moved out on their own. Some are trying to reenter the community after a period of incarceration, others are recent immigrants working in local businesses with limited pay. Some have struggled with homelessness. What they all share is the need for a safe, decent and affordable place to live.

Indications of Need:

Single-person households comprised a substantial portion of the population, about 37% of all households and 74% of non-family households in 2000, and are projected to continue to increase in number and in proportion to all households. Despite the population housed in group quarters, there still remains approximately another thousand single-person households that rely on the existing housing stock. While there are an estimated 4,891 such households living in Northampton, there were only 2,630 housing units with three (3) or fewer rooms.

About half of all residents over 65 lived alone.

Thirty-two percent (32%) of elderly renters, or 260 seniors earning at or below 50% of area median income, were paying too much for housing including almost a hundred or 11.5% who were spending at least half of their income on housing.

There are at least two-year waits for those seniors applying to live in public housing.

Using the lowest prices advertised in September 2009 on Craig's List, a one-bedroom unit renting for \$850 would require an income of \$38,000, assuming \$100 per month in utility bills and housing expenses of no more than 30% of the household's income, much higher than what most renters can afford. For example, someone earning the minimum wage of \$7.25 for 40 hours per week and every week during the year would still only earn a gross income of \$15,080.

Most seniors earning fixed incomes and relying substantially on Social Security find that when they lose their spouse, their income may not be sufficient to afford their current housing and other expenses.

The 2000 rental vacancy rate was 2.9%, representing extremely tight conditions and little turnover in the rental market.

The Northampton Housing Partnership has undertaken a series of interviews with housing providers and those serving the homeless since 2005, including a meeting on June 23, 2009 as important input into this Housing Needs Assessment. Through these discussions, new Single Room Occupancy (SRO) units, providing single rooms for individuals, and the Safe Haven Program, offering housing for the chronically homeless mentally ill, were identified to be most needed for those homeless, formerly homeless or those very low-income individuals in search of more affordable and appropriate units in Northampton. The City has lost more than half of its SRO housing stock over the past

few decades, fairly recently the Bay State Hotel in the downtown. A typical SRO rents for about \$300 to \$400 per month, and many offer weekly rates as well, serving as valuable sources of affordable housing for low-income individuals. The Valley CDC recently developed a 17-unit enhanced SRO project in Florence with supportive services.

2. *Housing Rehabilitation Resources*

Many low- and moderate- income homeowners lack sufficient resources to properly maintain their homes and address substandard housing conditions. Improvements should incorporate modifications to improve handicapped accessibility and eliminate lead-based paint and housing code violations.

Indications of Need:

A substantial portion of Northampton's housing stock, 45.4% or 5,638 units, was built before 1939. Almost another 30%, or 3,484 units, was built between 1940 and 1970, with another 1,500 units built between 1970 and 1980. Because of the relative age of the existing housing stock, it is likely that many units may have remnants of lead-based paint and/or deferred housing maintenance needs, including some basic code violations related to structural or systemic deficiencies.

Only 31 of the Housing Authority's 618 units are modified to be accessible to the physically handicapped. The wait list is only between three (3) and five (5) applicants but turnover is rare.

As noted in the City's HUD Consolidated Plan, when the issue of accessibility is coupled with affordability, choices become severely diminished and families or individuals who are unable to locate appropriate housing become at risk of homelessness.

The Council on Aging has noted some demand within their home repair program to address accessibility issues in homes occupied by non-elders.

3. *Preservation of the Existing Affordable Rental Stock*

The preservation of existing affordable rental units is essential to maintaining an affordable housing stock well into the future. This rental housing, including both units that are subsidized and in the private housing market, is more cost effective to rehabilitate and maintain than to build new. Moreover, efforts are needed to maintain affordability restrictions on subsidized housing in perpetuity to the greatest extent possible, so as not to lose affordability based on expiring use restrictions.

Indications of Need:

Northampton's rental housing stock has been eroded over the last several decades due largely to condo conversions or the elimination of rooming houses or downtown hotels that catered to lower income individuals.

No new unsubsidized rental housing has been built with the exception of accessory apartments, and subsidized rental developments have been relatively small in scale and number.

Northampton has a number of housing units in its Subsidized Housing Inventory where affordability restrictions are due to expire within the next decade.

4. *Rental Housing for Small Families*

There is also a significant need to house small families, those two- to four-person households that are increasingly including single parents with children as well as unrelated individuals.

Indications of Need:

The average household size of 2.14 people per dwelling unit in 2000, is projected to decrease still to 2.04 by 2014, driven by decreases in family size, the numbers of children and more “traditional” families with accompanying increases in “child-free” and “child-delayed” families, especially increases in empty nesters and senior and frail populations.

There are also substantial numbers of two-person households with unmet housing needs as such households are now estimated to comprise almost 4,000 households, or about one-third of all households, yet smaller housing units are in short supply.

Almost half of the households with children were headed by one parent (82% of these involved unmarried parents or single mothers), suggesting a compelling need for affordable family housing for families with only one income.

In 2000, 27.4% of all small family renters, or 330 families, were spending too much on housing costs, including 110 families earning at or below 30% AMI.

The wait for a unit in one of the Northampton Housing Authority’s family rental developments is at least two (2) years.

There is substantial demand for NHA rental subsidies with waits of about six (6) years to obtain a voucher.

Rental costs are high as advertised two-bedroom apartments start at \$900, requiring an income of about \$41,400 based on \$135 in monthly utility costs and that housing costs are no more than 30% of the household’s income. This rent is beyond most lower income households. Also, landlords typically expect first and last month’s rent and a security deposit when the lease is signed, a substantial amount of cash, that blocks many households from finding decent housing.

Given a 2.9% vacancy rate, the housing market is very tight and units are hard to find.

5. *First-time Homeownership for Small Families*

Market conditions have placed the purchase of homes beyond the financial means of low- and moderate-income households. Infill development and the redevelopment/reuse of existing properties in partnership with non-profit organizations and private builders offer the best options for increasing first-time homeownership opportunities in Northampton.

Indications of Need:

The large gap between incomes and the entry cost for homeownership forces first-time homebuyers to look elsewhere for housing they can afford to buy. A household has to earn at least at the median income level to afford to purchase a home. Without a subsidized mortgage, this household would also have to come up with a substantial amount of cash, now more typically a down payment of 20% as well, blocking many who seek to own a home. Credit problems also pose substantial barriers to homeownership.

While condo prices are lower, it has become nearly impossible to obtain financing and monthly condo fees raise housing expenses that limit how much that can be borrowed.

Almost all of the City's existing subsidized housing units are rentals.

Prior generations have had the advantage of GI loans and other favorable mortgage lending options with reasonable down payments. Also, in prior years the average home price to average income ratio was much lower than it is today, making homeownership more accessible. Given current economic conditions, the ability to obtain financing will likely become only more challenging for today's first-time homebuyers without subsidized homeownership.

The 2000 vacancy rate for homeownership units was less than one percent, reflecting very tight market conditions. Since then the market has not softened substantially in Northampton despite the financial crisis, and housing costs remain out of reach for those earning at or below 80% AMI.

6. *Housing for At Risk and Special Needs Populations*

Housing should continue to be developed to serve those who are at risk of homelessness and/or have special needs that require supportive services as part of the Continuum of Care, providing stable and affordable opportunities for those transitioning out of shelters or special programs.

Indications of Need:

The relative scarcity of affordable rentals, particularly those with supportive services, was identified as perhaps the foremost housing need in the June 2009 meeting convened by the Northampton Housing Partnership with representatives of local and regional housing program and service providers.

The Housing First model, which is the approach that the Pioneer Valley is embracing in an effort to reduce homelessness, is an alternative to the current emergency and transitional shelter system of providing temporary housing for the homeless. It is premised on the belief that vulnerable and at-risk homeless families and individuals are more responsive to interventions and social service support *after they are in their own housing*, rather than while living in temporary facilities. Permanent housing needs to be built to provide these much needed rapid response units.

Northampton's HUD Consolidated Plan indicates that wait lists for the City's shelters continue to grow.

Those age 17 and 24 who are released from the Department of Social Services (DSS) system often do not have places to live and require job training and life skills to become employable.

About 25% of those in the shelter system are women, many of whom have experienced domestic violence, with close to 70% of these women lacking employment histories or job skills, once again requiring support services.

An average of 25% of those served in the shelters have work histories and an additional 25% have jobs or are enrolled in educational or training programs while living in the shelters and are looking for stable, affordable living situations.

About 40% of emergency shelter residents are likely to return to the shelter system within one year after they leave, primarily given the lack of safe and affordable housing with services.

DMH also estimates that on average there are 35 to 50 people with severe mental illness, often with substance abuse problems as well, that are at risk of homelessness annually and require subsidized housing. The homeless mentally ill make-up 10 to 20% of the sheltered population.

While the decreases in poverty levels appear to be a healthy signal that the City's population is doing better economically, it may also be that those of the most vulnerable residents living in Northampton in 1980 have been forced to leave the City in search of more affordable living conditions elsewhere, most likely to Holyoke or Springfield. The ability to provide affordable housing options for those with very limited incomes who have lived or currently live in the community and want to continue to do so is a continuing challenge and a pressing need.

7. *Look Beyond Traditional Housing Models*

The Sustainable Northampton Comprehensive Plan suggests that the City look beyond more traditional models of housing development, including affordable housing, to promote alternative living options to meet a variety of local needs. Such models might include, but are not limited, to the following:

- Mixed-income developments that incorporate two (2) or more income tiers to accommodate different affordability levels, including potentially workforce units that serve those earning between 80% and 120% of area median income, and even market units to help cross-subsidize the affordable ones.
- Housing that allows occupants to both live and work in their units, which is particularly responsive to the needs of Northampton's community of artists.
- Options for detached housing, such as cottage housing developments, to increase density in designated locations and serve the community's increasing smaller households.
- Green and sustainable design alternatives.

Indications of Need:

Even those with incomes above the median are priced out of most housing that becomes available in Northampton, and greater challenges in accessing financing only exacerbate the problem of affording to live in Northampton. Consequently, the City should also find opportunities to provide housing for those earning above 80% of area median income but still priced out of the private housing market.

Northampton has had a significant artist community who are challenged to find workspace and living quarters on what are typically limited incomes.

The average household size of 2.14 people per dwelling unit in 2000 is projected to decrease still to 2.04 by 2014, driven by decreases in family size, the numbers of children and more "traditional" families, and increases in "child-free" and "child-delayed" families, especially increases in empty nesters and senior and frail populations.

There are substantial numbers of two-person households with unmet housing needs as such households are estimated to comprise about one-third of all households, or about 4,000 households, yet smaller housing units are in short supply.

Green design and building techniques substantially reduce ongoing property maintenance costs through much lower energy bills, thus ensuring greater long-term sustainability of affordable housing.

#### **4. CHALLENGES TO DEVELOPMENT**

While Northampton has made considerable progress with respect to creating affordable housing, there continue to be formidable challenges to developing such housing including the following:

- *Funding Availability*

While the City has more resources than it has had in the past to promote affordable housing including Community Preservation funding through the passage of CPA in 2005, as well as Smith College's funding to replace housing that has been lost to campus expansion, including affordable housing; subsidy funds still remain in short supply and are highly competitive. Northampton receives an allocation of about \$750,000 in CDBG funding, but little of this funding has been available for housing activities for awhile. However, unlike most cities, Northampton does not receive an annual allocation of federal HOME Program funding that has provided substantial housing support for a wide range of housing activities in other cities. Moreover, McKinney funding has been an important source of subsidy for housing development. In FY10, Northampton received about \$1.8 million.

In regard to state funds, HAP, Inc., TCB and the Valley CDC have applied and obtained important state financing from a number of funding programs for new affordable housing development that has been essential to insuring the financial feasibility of the new units, but these funds are extremely competitive. Moreover, rental subsidies, including project-based subsidies, are always in short supply but are critical to the ability of local development projects to serve extremely low-income households. While it is unlikely that local, state and federal subsidy funds will increase substantially or even at all in the near future, the limitations related to available funding do restrict new unit production and housing-related programs and services.

As mentioned earlier, those who have been awarded rental subsidies to help pay their rent in privately-owned housing based on a reasonable percentage of their income, have experienced difficulties in leasing units based on Northampton's high rents, which are over and above program limits.

- *Zoning (New Section)*

As is the case in most American communities, a zoning by-law or ordinance is enacted to control the use of land including the patterns of housing development. Northampton's Zoning Ordinance includes 22 zoning districts, which include overlay districts, five (5) of which are residential including a rural residence zone (RR), a suburban zone (SR) and three (3) urban residence (UR) zones – A, B and C. The Zoning Ordinance permits various residential uses as follows:

- Single-family units are allowed by-right in all zoning districts except the Planned Village District where they are not allowed to promote density.
- Two-family dwellings with a shared front entrance are not permitted in the RR and SR districts but allowed by-right in the URB and URC Districts and with Planning Board approval in the Neighborhood Business (NB) District.
- Other two-family dwellings meeting all dimensional requirements for a newly created lot are only allowed by right in the URC District or by special permit from the Planning Board in the URB and Neighborhood Business Districts.
- Three-family homes are allowed by-right in the URC and NB Districts.
- Multi-family dwellings not exceeding three (3) stories are allowed under Site Plan approval from the Planning Board in the URC and NB Districts.
- Multi-family properties exceeding three (3) stories and townhouses must obtain a special permit from the Planning Board in the URC and NB Districts.
- Lodging and halfway houses are allowed by special permit from the Planning Board in the URB and URC as well as the NB Zoning Districts.
- Mixed residential and work space which conforms to all Building and Life Safety Codes and located above the first floor is allowed by-right in the Central Business, General Business and Neighborhood Business Districts and by special permit in the URC and Highway Business Districts.
- Mixed residential and commercial/retail or service uses are allowed by-right in all business districts, except the PV District, and by special permit in the URC District.
- Residential development, PUDs and cluster developing using a Transfer of Development Rights (TDR), obtained by a special permit from the Farms, Forest and Rivers District, are only allowed in the Planned Village District, but permitted on an as-of-right basis.
- Where the principal use is serviced by on-site water and sanitary sewage disposal, there is a requirement of at least 80,000 square feet per lot.

In an effort to direct higher density development to appropriate locations, the Zoning Ordinance includes the following lot size requirements for various types of dwelling units:

**Table 4-1**  
**Minimum Required Lot Sizes (In Square Feet)**

<b>Unit Type</b>	<b>RR District</b>	<b>SR District</b>	<b>URA District</b>	<b>URB District</b>	<b>URC District</b>
Single-family homes	40,000	30,000	12,000	8,000	6,000
Zero lot line single-family	Not allowed	Not allowed	Not allowed	8,000	6,000
Two- family homes	Not allowed	Not allowed	Not allowed	12,000	12,000
Townhouse	Not allowed	Not allowed	Not allowed	7,000/unit	6,000/unit
Multi-family structures and mixed-use with 4+ stories	Not allowed	Not allowed	Not allowed	Not allowed	10,000 + 1,000/bedroom
Any Other Multi-family	Not allowed	Not allowed	Not allowed	7,000/unit	6,000/unit

Source: Northampton Zoning Ordinance, Attachment 2.1.

Townhouse development is also allowed in the Neighborhood Business Zoning District with a minimum required lot size of 20,000 square feet plus 4,500 square feet per unit.



Moreover, mixed residential and retail/commercial and service development is also allowed in this district, requiring 10,000 square feet plus 1,000 per unit. There are no minimum lot requirements in the Central Business and General Business Zoning Districts and a 20,000 square foot minimum for all uses in the Highway Business District when parking is located in the rear or the side. All residential uses in the Business Park Zoning District must have a minimum of 10,000 square feet and an additional 1,000 square feet for each unit unless 33% of the units are affordable and the requirements drop to 7,500 square feet and 750 per unit.

The Zoning Ordinance also includes numerous specific provisions to promote smart growth development and affordable housing, directing future development to appropriate locations, particularly denser development, and offering incentives for the inclusion of affordable housing. These provisions include:

(It would be useful to indicate the extent, as well as locations where appropriate, that each of these ordinances have been used.)

- Residential Incentive Development Overlay District<sup>18</sup>

This zoning district enables the Planning Board to issue a special permit that allows housing development at somewhat higher density if 33% of the total number of units are affordable and the development conforms to use regulations and dimensional/density regulations and, in all other respects, meets the requirements for an open space (cluster) residential development (Section 350-10.5) in URB districts (Urban Residence B).

**Table 4-2**  
**Minimum Required Lot Size in Residential Incentive Overlay Development**

Unit Type	RR District	SR District	URA District	URB District	URC District
Single-family homes	5,000	5,000	NA	NA	NA
Two- family homes	7,500	7,500	NA	NA	NA
Three-family homes/ townhouses	4,000/unit	4,000/unit	NA	NA	NA

Source: Northampton Zoning Ordinance, Attachment 2.1. NA = Not applicable

- Sustainable Growth Overlay District<sup>19</sup>

In order to facilitate smart growth development, the Sustainable Growth Overlay District (SG District) was created to “foster a range of housing opportunities along with a mixed-use development component, to be proposed in a distinctive and attractive site development program that promotes compact design, preservation of open space, and a variety of transportation options”. The overlay district, centered on the redevelopment of the former Northampton State Hospital, the Village at Hospital Hill, was established in accordance with Massachusetts General Laws, Chapter 40R (see Appendix 3 for details on 40R), enables the City to receive zoning incentive payments and density bonus payments that help subsidize the development that must set-aside at least 20% of the housing units as affordable. The District includes two (2) subareas, one for single-family development with permitted densities of up to eight (8) units per acre and the other for multi-family development of up to 21 units per acre.

<sup>18</sup> Northampton Zoning Ordinance, Section 350-10.11.

<sup>19</sup> Northampton Zoning Ordinance, Section 350-20.

- Planned Village District<sup>20</sup>  
The Planned Village (PV) District was established “to encourage economic diversity and vitality, to foster the creation of a village or campus center with coherent development patterns similar to traditional Northampton development, to provide for an environment conducive to a high quality of life, to avoid unnecessary public expense for the extension of services, and to meet other community goals. The ordinance promotes a pedestrian-scale, mixed-use village design to create a compatible and attractive village area. The Planning Board is the permit granting authority. The PV District was also conceived as a “receiving” location for the Transfer of Development Rights (TDR) ordinance (see below). Minimum lot requirements are 4,000 square feet per unit when using a TDR, 15 acres for a development as a whole, with no minimum lot requirement for individual lots.
- Transfer of Development Rights<sup>21</sup>  
TDR involves the conveyance of development rights by deed, easement or other legal instrument from one parcel of land to another as a means of encouraging development in certain areas while preserving open space in others. The Northampton ordinance allows the Planning Board to grant a property owner in the Farms, Forests and Rivers (FFR) District a special permit to transfer the development rights of a “sending” parcel to “receiving” parcels in the Planned Village (PV) District where higher density is more appropriate. Development rights cannot be transferred from a property, which may not otherwise be developed, and development rights may be transferred and put on hold pending assignment to a receiving parcel.
- Accessory Apartments<sup>22</sup>  
The Zoning Ordinance recognizes that accessory apartments<sup>23</sup> provide a number of important benefits including the following:
  1. Provide older homeowners with a means of obtaining rental income, companionship, security and services, and thus enabling them to stay more comfortably in homes and neighborhoods they might otherwise be forced to leave;
  2. Add moderately-priced rental units to the housing stock to meet the needs of smaller households and make housing units available to moderate-income household who might otherwise have difficulty finding housing;
  3. Develop housing units in single-family neighborhoods that are appropriate for households at a variety of stages in their life cycle;
  4. Protect stability, property values, and the single-family residential character of a neighborhood by ensuring that accessory apartments are installed only in owner-occupied houses; and
  5. Provide housing units for persons with disabilities.

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<sup>20</sup> Northampton Zoning Ordinance, Section 350-10.14.

<sup>21</sup> Northampton Zoning Ordinance, Section 350-17.3.

<sup>22</sup> Northampton Zoning Ordinance, Section 350-10.10.

<sup>23</sup> The Zoning Ordinance defines an accessory apartment, or in-law apartment, as a self-contained unit incorporated within a single-family dwelling that is a subordinate part of the dwelling and complies with a number of criteria.

The ordinance allows the Building Commissioner to issue a zoning permit for an accessory apartment in an owner-occupied, single-family house and provides for accessory apartments in a detached structure by a special permit from the Zoning Board of Appeals (ZBA) based on a number of conditions including requiring separate kitchen and bath facilities, an entrance at the side or rear of the house or house lot, be no larger than 900 square feet and not enlarged beyond 900 square feet at some point in the future, be occupied by no more than three (3) people, have three (3) off-street parking spaces, etc.

- Zero Lot Line (ZLL) Developments<sup>24</sup>  
Zero lot line (ZLL) developments allow house lots that have a minimum side yard setback of zero feet on one side based on a number of provisions such as the side yard of the nonzero lot line must be twice the usual setback, the zero lot line side of the house must abut permanently protected open space or the lot line of another ZLL lot under the control of the same developer, etc. Such developments allow for efficient use of existing lots and are allowed in the Urban Residence B and C Districts.
- Planned Unit Development (PUD)<sup>25</sup>  
Planned Unit Developments (PUDs) involve mixed uses with extensive open space, approved through a special permit of the Planning Board in accordance with the requirements of the Open Space Residential Development ordinance (see below) and site plan review. The development parcel must be in common ownership and have at least 30 contiguous acres in the Rural Residence or Suburban Residence Districts or four (4) contiguous acres in all other residential and business zones except the Central Business District and Planned Village District where they are not permitted. All types of housing are allowed with the maximum density computed by multiplying the total area of the parcel, less proposed roadways and 80% of wetlands and floodplains, by a prescribed density multiplier by zoning district, from 1.1 (unless in the Water Supply Protection District where it is 0.54), to 7.0 in the Highway Business District. For residential districts, each thousand square feet of nonresidential gross floor area counts as one unit for the purposes of calculating the maximum number of units.
- Open Space Residential Development (OSRD)<sup>26</sup>  
This ordinance promotes flexible development where residential units are clustered on a portion of the site, leaving at least 50% of the parcel undeveloped as open space that is meant to “a) preserve the rural character of the community by maximizing and preserving expanses of open space in their natural state; b) provide a buffer between developments; and c) serve a functional relationship to each of the lots in the development in those districts for which such an option is allowed.” Site plan approval is required and subdivision approval as well where the parcel is being subdivided. The parcel must have at least four (4) acres of contiguous land area and be in single ownership at the time of application. The maximum number of units allowed is calculated by multiplying the total tract

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<sup>24</sup> Northampton Zoning Ordinance, Section 350-10.14.

<sup>25</sup> Northampton Zoning Ordinance, Section 350-10.6.

<sup>26</sup> Northampton Zoning Ordinance, Section 350-10.5.

area, less proposed roadways and 90% of wetlands and floodplains, by particular multipliers according to zoning district, from 0.54 in the Water Supply Protection District, to 1.1 in the Rural Residence District, 1.5 in the Suburban Residence District, 2.2 in the Urban Residence A District, and 4.4 in both the Urban Residence B and C Districts. These densities can be increased by up to 15% if the percent of density bonus is no greater than the percent of dwelling units in the cluster that are affordable. Zero lot line developments are also permitted.

**Table 4-3**  
**Minimum Required Lot Size in OSRD or PUD**

<b>Unit Type</b>	<b>RR District</b>	<b>SR District</b>	<b>URA District</b>	<b>URB District</b>	<b>URC District</b>
Single-family homes	10,000	10,000	7,500	5,000	5,000
Zero lot line single-family	9,000	9,000	6,000	4,500	4,000
Two- family homes	15,000	15,000	10,000	7,500	7,500
Three-family homes	20,000	20,000	12,500	10,000	10,000
Townhouse	7,500/unit	7,500/unit	5,000/unit	5,000/unit	4,500/unit
Multi-family	Not allowed	Not allowed	5,000/unit	5,000/unit	4,500/unit

Source: Northampton Zoning Ordinance, Attachment 2.1.

- Single-lot Exemption for Single and Two-family Use<sup>27</sup>

This ordinance allows for the development of a single-family or two-family house on a nonconforming lot, stating that an increase in dimensional requirements will not apply to a vacant lot for single or two-family use that has at least 5,000 square feet, 50 feet of frontage, is located in an area zoned for such use (two-family use may require a special permit), conforms to existing zoning when the lot was legally created, and in separate ownership prior to the City Council vote that made the lot nonconforming and has maintained a separate identity.

- *Transportation*

Public transportation is limited in Northampton as the City does not have mass transit given its size and public bus routes are largely directed to stops along Route 9/10. In the mid to late 1980s, a special bus route was established to provide service to residents of Florence Heights, a 49-unit family housing development owned and operated by the Northampton Housing Authority, and recently bus service was extended to the Village Hill project. Owning and maintaining a car is beyond the means of many low- and moderate-income households. Continued efforts to direct housing in areas that are closer to public transportation and expand transportation as necessary to support growth areas will be required as part of coordinated City planning and service delivery system.

- *Community Perceptions*

Residents in most communities are concerned about the impacts that any new development will have on local services and quality of life, and many may also have

<sup>27</sup> Northampton Zoning Ordinance, Section 350-9.4.

negative impressions of affordable housing in general. Therefore, local opposition to new affordable developments is more the norm than the exception. On the other hand, given still high real estate prices, more people are recognizing that the new kindergarten teacher, their grown children, or the elderly neighbor may not be able to afford to live or remain in the community. Others still question whether there is a real need for affordable housing. This Housing Needs Assessment does document a range of pressing housing needs, and ongoing community outreach and education will be necessary to garner local support and ultimately approvals for new housing initiatives.

- *Expiring Use*

There are a number of affordable housing developments where affordability requirements are due to expire in the near future or long-term, thus it is likely that the city will lose units on the Subsidized Housing Inventory. For example, 207 rental units at Hathaway Farms are in jeopardy of reverting to market units as early as 2014, and the affordability of another 86 rental units at St. Michael's House is due to expire in 2012. The City should explore options for maintaining affordability if at all possible, intervening as necessary. In fact, 252 rental units at Country Lane Estates, formerly the Meadowbrook development, were purchased and refinanced by Preservation of Affordable Housing (POAH).

- *Condo Conversions*

The conversion of rental properties to condominiums has been a concern for many interested in promoting more housing diversity and affordable housing in Northampton. There has been a considerable amount of such conversions going back to the 1970s, and during the 1980s, the City planned to establish a moratorium on condo conversions, although this was not ultimately approved. Northampton did pass another regulation that provides some limited control over condo conversions, based largely on measures that were established in Somerville, Cambridge and Brookline. These provisions insure that there are sufficient financial reserves incorporated into the conversion to protect both the new owners and the property when any major improvements become necessary. Given current market conditions, condo conversions have stopped altogether, and it has become extremely challenging to secure financing for condos as lenders are applying much more rigorous lending criteria. Additionally, some condo associations are in trouble because, with the down economy, owners are failing to pay condo fees or assessments, putting entire developments in jeopardy. Once the economy picks up, however, it is probable that there will once again be renewed interest in condo conversions that erode the community's supply of rentals.

## 5. LOCAL AND REGIONAL ORGANIZATIONS/RESOURCES

Northampton is fortunate to have a number of important resources including City government, local non-profit organizations and regional entities that have made substantial contributions to the promotion of affordable housing in Northampton including:

### City Government

- *Office of Community and Economic Development (CEDO):*  
CEDO is responsible for developing and managing community and economic development policies, plans, and programs. The mission of the department is to foster economic vitality, equity and opportunity; enhance housing opportunities, affordability, and fairness; and to build community, support public services, and improve public infrastructure. CEDO manages the following programs:
  1. Community Development Block Grant (CDBG) including funding for public services, housing, economic development, and public infrastructure programs as well as preparation of the 5-year Consolidated Plan.
  2. Housing programs including the Three County Continuum of Care regional collaboration that is supported by federal McKinney funding, the *All Roads Lead Home* regional homelessness plan, and staff support to the Housing Partnership.
  3. Development of the Housing Needs Assessment and Affordable Housing Plan and housing components of the Block Grant Consolidated Plan.
  4. Economic Development programs including workforce development, business assistance and development, incentives, site selection, brownfields cleanup and redevelopment, marketing, commercial/industrial/mixed-use site development, and staff support to the Redevelopment Authority.

Contact Info: City Hall, 210 Main Street, Northampton, MA 01060, 413-587-1001, [www.northamptonma.gov/cedo](http://www.northamptonma.gov/cedo)

- *Office of Planning and Development (OPD):*  
OPD is responsible for long-range and strategic planning and for managing permitting and regulatory oversight of land use development in the City. OPD manages the following programs:
  1. Comprehensive and strategic planning to guide growth and development, conserve natural and built resources, provide for multi-modal transportation and open space protection.
  2. Development and implementation of the Sustainable Northampton Comprehensive Plan and the Open Space and Recreation Plan.
  3. Historic Preservation programs.
  4. Staff support to the Planning Board, Zoning Board of Appeals, Conservation Commission, Historic Commission, Central Business Architecture, Agricultural Commission, and Community Preservation Committee.
  5. Geographic Information Systems (GIS) and data bas development to support planning information needs.

Contact Info: 210 Main Street; 413/587-1266

- *Northampton Housing Partnership*  
The Northampton Housing Partnership (NHP) was established in 1991 to help articulate the City's housing needs and assist in the preservation and promotion of affordable

housing.<sup>28</sup> The Housing Partnership is overseeing the preparation of this Housing Needs Assessment and Affordable Housing Plan, and is thus continuing to pursue their mission to identify the range of local housing needs and find solutions to help meet them. The Partnership includes up to 15 members who are appointed by the Mayor, subject to confirmation by the City Council.

- *Northampton Affordable Housing Trust*  
The Northampton Affordable Housing Trust oversees an Affordable Housing Fund that is dedicated to supporting affordable housing. The Trust was created in 1998 to provide funding for the following purposes:
  1. For the acquisition, renovation, construction, financing or refinancing of real property in Northampton for low- and moderate-income residents.
  2. For rental subsidies and loans and/or guarantees to make housing more affordable (first and/or last month's rent, security deposits, mortgage payments, utility or other expenses that threaten a household's ability to remain in their unit).
  3. For temporary consulting services that allow the City to provide or preserve affordable housing.

The Mayor is designated in the Ordinance as a member of the Trust and the remaining four (4) Trustees are appointed by the Mayor, subject to confirmation by the City Council, and must include two (2) members of the Housing Partnership.

- *Northampton Community Preservation Committee*  
In September of 2000, the Community Preservation Act (CPA) was enacted to provide Massachusetts cities and towns with another tool to conserve open space, preserve historic properties and provide affordable housing. This enabling statute established the authority for municipalities in the Commonwealth to create a Community Preservation Fund derived from a surcharge of up to 3% of the property tax with a corresponding state match of up to 100% funded through new fees at the Registry of Deeds and Land Court. Once adopted the Act requires at least 10% of the monies raised to be distributed to each of the three categories (open space, historic preservation and affordable housing), allowing flexibility in distributing the majority of the money to any of the three uses as determined by the community. The Act further requires that a Community Preservation Committee of five to nine members be established, representing various boards or committees in the community, to recommend to the legislative body, in this case City Council, how to spend the Community Preservation Fund.

In November 2005, city residents voted by ballot referendum to adopt the Community Preservation Act, forming the Community Preservation Committee in 2007. The Community Preservation Committee has nine (9) members including representatives of the Housing Authority, Conservation Commission, Historical Commission, Planning

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<sup>28</sup> The ordinance to establish the Housing Partnership was adopted on November, 21, 1991, and amended in 1996 with the following purpose: "To articulate the short- and long-term housing needs of the Northampton community, as part of the larger region, and, with the support of City Government and the community, to advocate and accomplish their resolution; to help educate the community about the full range of housing needs, actively encouraging citizens, government, institutions, business and civic leaders, and the housing industry to participate in their solution; and to assist in the preservation and development of the low- and moderate-income housing stock".

Board, Recreation Commission, appointments of both the Mayor and City Council, and two elected representatives, each appointed for three-year terms. In its first year of operation, in 2007, the surcharge raised \$702,467, which was matched 100% by the state. The state match has been reduced since then, largely the result of the depressed housing market as fees from the Registry of Deeds are the main source of the state's match. In FY09 Northampton is projected to raise \$767,021 in its property tax surcharge and receive \$338,552 from the state, representing a 44.4% match.

- *Three County Continuum of Care*  
The Three County Continuum of Care is designated as the entity to provide a continuum of support from emergency shelters through to transitional housing and ultimately to permanent housing to serve the wide range of housing needs in the region. The Continuum of Care is staffed by Northampton's Office of Planning and Community Development and includes representatives from all of the major housing service providers in the three-county area. Almost \$1.8 million in HUD McKinney funding was provided to the Continuum in FY10 to fund a wide range of programs and services.

### **Local Agencies and Organizations**

- *Northampton Housing Authority*  
The Northampton Housing Authority (NHA) is a quasi-public agency that was established in 1946 to produce housing that is affordable to low- and moderate-income residents. NHA manages 618 units in 13 separate developments, including units for seniors, families, and those with special needs. The Housing Authority also manages more than 300 rental subsidies/vouchers that enable those who are priced out of the housing market to rent housing in privately-owned units, paying only a specified portion of their income on housing costs. For more information on NHA, see Section 3.2.6 above.  
Contact Info: 49 Old South Street; 413/584-4030

- *Valley CDC*  
The Valley CDC is a non-profit organization that was, like the Housing Authority, established in 1988 by Casa Latina, to address the growing shortage of affordable housing and the shrinkage of jobs in the Pioneer Valley. The CDC provides services to Easthampton, Amherst and Hadley, in addition to Northampton. The goals of the organization are to develop housing for low- and moderate-income individuals and families; to offer counseling regarding homeownership and financial stability, including foreclosure prevention; and to educate and support people seeking to start their own business as well as arts groups.

Thus far the organization has developed more than 150 units of housing, including 80 completed units in Northampton as well as 21 SRO units in the process of development in two (2) separate projects. For more information on these projects, see Section 3.2.6 above.

In regard to counseling services, the CDC provides monthly homebuyer classes that have typically reached their 40-person capacity. Those who attend these classes come largely from Hampshire County. Financial support for these classes comes from the Community Preservation Fund and small grants from the state's Department of Banks. The CDC has also been providing foreclosure prevention counseling that has been supported by CPA funding as well as small grants from the state's Department of Banks and the Community



Foundation of Western Massachusetts (CFWM). Of a total 211 persons who received counseling services from the CDC last year, 101 were at risk of foreclosure with another 47 first-time homebuyers.<sup>29</sup> The Director of Homeownership noted that the CDC was able to effectively intervene and resolve many of the problems related to potential foreclosure by pressing for refinancing or loan modifications.

With support from Florence Savings Bank, they have been able to continue a small financial literacy program, providing a couple of classes per year. Last year they had 26 participants, up from about half of that amount the previous year. The organization has also offered post-purchase counseling on a one-to-one basis. Many of the inquiries involved needs related to home repairs and budgeting. The CDC typically refers owners to state home improvement programs as the City's home repair program was discontinued several years ago, although the Council on Aging still offers an Elder Home Repair Program to its clients.<sup>30</sup>

Contact Info: 30 Market Street; 413/586-5855

- *Case Latina*

Case Latina is an educational and cultural center that was established more than 38 years ago to represent, celebrate, and advocate for the Latino community. The organization provides services throughout Hampshire County including information and referrals to programs and services related to health care, housing, employment opportunities, adult education, child care resources, legal services, transportation resources, public assistance offices, food pantries, domestic violence support, and immigration resources. They also train and support a network of community medical interpreters who help local hospitals, clinics, and private practitioners provide culturally- and linguistically-competent care to Spanish-speaking patients. A hallmark of their services has been the empowerment of the local Latino community through group facilitation and education that promotes positive social change. Case Latina was instrumental in founding both the Northampton Housing Authority and Valley CDC.

Contact Info: 140 Pine Street in Florence; 413/586-1569

- *ServiceNet, Inc.*

ServiceNet, Inc. is a private non-profit organization whose mission is to enhance the quality of life for people in need, through the provision of effective and responsive clinical, residential and rehabilitative services. They operate throughout the Pioneer Valley, providing services that include outpatient behavioral health services; adolescent support programs; an employee assistance program; early intervention for young children; home health care; rehabilitation and residential programs for those with mental health issues, developmental disabilities or head injuries; and shelter and housing services for the homeless. They provide services in a number of housing shelters and developments including the Florence Inn, Grove Street Inn, the Valley Inn and the Cold Weather Cot Program.

Contact Info: 129 King Street; 413/585-1300

- *Soldier On*

Soldier On is a non-profit organization that has been assisting homeless veterans since 1994, getting them off the streets into shelter and permanent housing, including a range

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<sup>29</sup> Not all wanted to buy but were interested in credit counseling.

<sup>30</sup> It should be noted that counseling services are also offered at Jessie's House and Grace House to women with children in the shelter system with typically devastated credit and limited job skills.

of service such as meals, health care, food and clothing, substance abuse aftercare and mental health counseling. They operate a sober house for vets that are transitioning from homelessness on the VA campus in Leeds, They are also in the process of developing a limited equity housing project, Leeds Veterans Village, modeled on their successful development in Pittsfield, Berkshire Veterans Village.

Contact Info: 421 North Main Street in Leeds; 413/582-3059

- *Community Action*

Community Action is the region's largest anti-poverty agency and social service provider, serving 25,000 people each year in Franklin and Hampshire Counties and the North Quabbin Region. The non-profit organization was founded in 1965 and has grown throughout the years, now providing 40 programs and serving 30 separate locations. These programs range from food pantries, to fuel assistance, child care financial literacy and first-time homebuyer courses, among many more. The organization also provides a program to help owners weatherize their homes.

Contact Info: 56 Vernon Street; 413/582-4230

- *Safe Passages, Inc.*

Since 1977, Safe Passages has provided nonjudgmental support and services to survivors of domestic violence. Services are free of charge, confidential and accessible to those with disabilities. They are also available in English, Spanish and other languages. The organization can house up to six (6) families at a time and besides transitional housing, support services for women and their children include a hotline, individual counseling and advocacy, and support groups.

Contact Info: 43 Center Street, Suite304; 413/586-1125

- *Tenancy Preservation Project*

The Tenancy Preservation Project connects supportive services to tenants with behavioral problems that interfere with tenancy. Working in Housing Court, the project provides tenants who are at risk of eviction with intensive case management and other resources.

Contact Info: 99 Main Street, #103; 413/584-2003

## **Regional Agencies and Organizations**

- *HAP, Inc.*

HAP, Inc. has been providing a wide range of housing programs and services since 1973 to communities in Hampden and Hampshire Counties, referring to itself as the "Regional Housing Partnership". Key components of their work include the following:

- The Housing Consumer Education Center provides information about housing services and offers counseling and workshops for tenants, homebuyers, homeowners and rental property owners.
- The Residential Assistance to Families (RAFT) program offers short-term financial help or other assistance to families who are homeless or seriously at-risk of homelessness.
- The Western Massachusetts Foreclosure Prevention Center involves a collaboration of 15 non-profit agencies in Hampden, Hampshire, Franklin and Berkshire Counties, working together to help homeowners avoid foreclosure, including HAP.
- With a grant from HUD, HAP is working with the Housing Discrimination Program on a Fair Housing Initiatives Program to increase the understanding of

fair housing rights among members of protected classes and housing providers in Hampden and Hampshire Counties.

- Rental assistance programs including Section 8 Housing Choice Vouchers and other related programs that allow lower income households to rent decent housing that they can afford in the private housing market.
- The operation of Prospect House, an emergency shelter for homeless families.
- The Safe Step Program provides transitional housing and supportive services to victims of domestic violence.
- The Turning Point Program has nine (9) units of transitional housing for pregnant and parenting teens.
- The management of more than 460 affordable apartments in Hampden and Hampshire Counties.
- Housing improvement resources including the administration of the Get the Lead Out Program, Home Modification Program (accessibility improvements for the physically disabled), and post-purchase workshops in addition to the homebuyer and foreclosure prevention counseling mentioned above.
- The Green Affordable Housing Initiative, funded by the Massachusetts Technology Collaborative and the Home Depot Foundation, in partnership with Rural Development, Inc. to promote and finance alternative energy technology and “green building” techniques in affordable housing projects developed by HAP or other non-profit organizations in western Massachusetts.
- Property management training for rental property owners.
- The development of 39 completed projects and a total of almost 900 units including The Lorraine development as well as the Paradise Pond Apartments, both in Northampton. They also manage units that have been developed by the Valley CDC (see Section 3.2.6 for more details).

Contact Info: 20 Hampton Avenue, Suite 185 in Northampton; 413/584-8495 and 322 Main Street in Springfield; 413/233-1500

- *Pioneer Valley Habitat for Humanity*

Habitat for Humanity is an ecumenical, non-profit Christian ministry dedicated to building simple, decent homes in partnership with families in need that has grown over the past two decades into one of the largest private homebuilders in the world. The organization has almost 1,600 U.S. affiliates and over 2,000 affiliates worldwide, including one based in Northampton that serves communities in the Pioneer Valley. Affiliates are operated by multi-denominational and multi-racial local leadership and with community volunteers who construct or rehabilitate houses that are sold without profit and interest to selected families in the area. Thus far the Pioneer Valley Habitat has provided permanent housing to 24 families including the following homes in Northampton:

- A duplex (2 condo units) on Pine Brook Curve in 1993
- A single-family home on Cahillane Terrace in 1999
- A duplex on Vernon and Forbes Avenue in 2000
- A duplex on Ryan Road in 2002
- Three (3) duplexes or six (6) units on Westhampton Road in 2005-2007

The organization is in the process of building five (5) single-family homes on Garfield Avenue in Florence.

Contact Info: 140 Pine Street in Florence; 413/586-5430

- *Western Massachusetts Network to End Homelessness (WMNEH)*  
WMNEH is a collaboration of multiple service providers and agencies as well as civic and business leaders throughout Hampden, Hampshire, Franklin and Berkshire Counties, led by a Leadership Council and funded by a \$1.1 million grant from the Massachusetts Interagency Council on Housing and Homelessness (ICHH). The organization represents a regional public health approach to ending homelessness for both individuals and families that prioritizes prevention and the rapid response provision of permanent housing with supportive services, including economic opportunity. The network seeks to change the traditional response to homelessness by adopting a Housing First model (see Section 3.3 for more details). This strategy introduces the meaningful assessment of the needs of the homeless at key locations where those at risk of homelessness or the homeless seek help, the coordination of appropriate services to meet their needs, and the provision of housing. WMNEH is currently compiling a regional directory of all homelessness-related resources in the region. It should be noted that Mayor Higgins has been a Co-Chair of the Pioneer Valley's 10-year Plan to End Homelessness, which has helped guide WMNEH efforts.  
Contact Info: Pamela Schwartz, Director of Regional Coordination; 413/219-5658
- *Pioneer Valley Planning Commission (PVPC)*  
PVPC is the regional planning agency for the 43 towns and cities in the Pioneer Valley region. It provides a wide range of planning services to municipalities and sponsors regional planning efforts on issues related to transportation, housing, economic development, energy, and infrastructure. PVPC is also the fiscal agent for the Western Massachusetts Network to End Homelessness (WMNEH), described above.  
Contact Info: 60 Congress Street in Springfield; 413/781-6045
- *Center for Human Development (CHD)*  
CHD provides a broad range of community-based human services dedicated to promoting, enhancing and protecting the dignity and welfare of people in need. The Center serves more than 6,000 individuals annually in Massachusetts and Connecticut, specializing in community initiatives for preventing violence in schools and neighborhoods and mediation and training to families, schools and community organizations. CHD's programs include clinical and outreach therapeutic services, emergency and long-term foster care, shelter and supportive services to the homeless, and community-based residential, supported housing, day treatment and vocational programs.  
Contact Info: 332 Birnie Avenue in Springfield; 413/733-6624
- *Hampshire County Jail and House of Corrections/Reintegration*  
The Hampshire County Jail goes to unusual lengths to connect inmates released from jail (including those with mental illness) to community-based services. Case managers typically carry a caseload of 30 inmates, with whom they meet within the first 72 hours following their intake, and meetings continue throughout an inmates' incarceration to help plan for any necessary treatment and for discharge. Obtaining housing is a key issue for inmates' successful reentry to the community.  
Contact Info: 205 Rocky Hill Road, Northampton
- *Mass Fair Housing Center*  
The Mass Fair Housing Center (MFHC) is a private, non-profit organization working to eliminate illegal housing discrimination in Central and Western Massachusetts. The organization provides education and community outreach on fair housing issues,

investigates fair housing complaints, and provides legal advice and representation to victims of discrimination.

Contact Info: 57 Suffolk Street in Holyoke; 413/539-9796 ext. 101

- *South Middlesex Opportunity Council (SMOC)*

SMOC is a private, non-profit organization that serves as a community action agency as well as regional housing agency, providing a wide range of programs and services for the greater Metro West and Blackstone Valley areas with an office in Northampton. The corporation's goal has been to improve the quality of life for low-income people by working with the community to affect social, individual and family change. Programs include day care and preschool education, employment training and placement, housing, addiction, mental health, women's protective services, nutrition, energy and weatherization, legal services, services for the elderly, emergency shelter, as well as community organizing around health care, housing, rising energy cost and banking services.

SMOC provides housing and community services to low- and moderate-income individuals and families including rental assistance programs, loan programs to support home modifications to improve access for the disabled, deleading, and weatherization improvements. Financial assistance is also provided to subsidize the costs of fuel, water and sewer costs to qualifying households. The organization also has a mobile resource team that assists homeless single adults in becoming independent.

In 1986, SMOC created a subsidiary non-profit development organization, South Middlesex Non-Profit Housing Corporation, to preserve, improve and develop new housing choices for low- and moderate-income residents, integrating supportive services when appropriate. The Housing Corporation not only develops housing but owns and manages the agency's real estate as well, both residential and commercial properties including 600 units ranging from emergency shelters, special needs housing, Sober housing, transitional housing for individuals and families, affordable single and family rentals, and first-time homeownership opportunities.

Contact Info: 16 Armory Street, Suite 4A; 413/587-0429

## APPENDIX 1

The following table summarizes key demographic and housing data by those six (6) census blocks that are determined by HUD to be “impacted”, as having more than half of their population at or below 80% of area median income, and therefore eligible to receive CDBG funding. These areas have been housing the largest concentrations of Northampton’s most vulnerable residents, those who are having the greatest difficulty in finding safe, decent and affordable housing and are most vulnerable to homelessness.

### Summary of Demographic and Housing Characteristics for CDBG Eligible Census Blocks 2000

Characteristics	8216011	8216025	8217003	8219022	8219023	8219024	8220001
<b>Demographic Characteristics</b>							
Total population	1,805	1,446	308	1,909	1,825	1,211	2,150
% less than 18 years	25.4%	21.4%	6.2%	8.8%	12.2%	9.6%	2.1%
% 18 and 19 years	2.8%	2.8%	1.0%	1.7%	1.2%	1.6%	38.1%
% 20 to 34 years	25.3%	16.7%	3.6%	45.0%	47.5%	45.2%	52.7%
% 35 to 44 years	16.5%	22.3%	14.6%	14.8%	17.3%	15.5%	2.8%
% 45 to 54 years	14.4%	15.0%	35.7%	12.5%	14.9%	12.8%	2.1%
% 55 to 64 years	6.2%	7.8%	11.4%	5.6%	7.6%	6.3%	0.9%
% 65 years or more	9.4%	14.4%	27.6%	10.6%	16.2%	9.8%	0.6%
Median age (years)	32.7	39.5	52.5	32.2	38.3	32.5	20.5
% non-family households	46.6%	32.5%	*	77.6%	72.3%	78.3%	67.5%
Average household size (persons)	2.28	2.07	*	1.76	1.71	1.67	1.60
Median income	\$32,348	\$30,526	*	\$31,667	\$29,952	\$26,902	\$29,732
% individuals in poverty	23.4%	13.4%	*	21.7%	\$13.2%	18.7%	16.6%
% earning less than \$25,000	41.5%	42.1%	*	42.2%	38.7%	47.4%	39.5%
% earning more than \$100,000	9.5%	6.4%	*	5.4%	4.5%	8.5%	14.0%
<b>Housing Characteristics</b>							
Total housing units	864	714	5	1,120	1,111	735	178
% occupied housing	91.3%	96.7%	*	93.2%	96.3%	95.2%	94.9%
% owner-occupied	31.9%	51.2%	*	20.3%	26.0%	14.3%	8.3%
% renter-occupied	68.1%	48.8%	*	79.7%	74.0%	85.7%	91.7%
% in single-family, detached structures	22.0%	33.0%	*	10.5%	15.0%	7.4%	20.0
Median sales price	\$143,500	\$134,200	*	\$148,400	\$129,600	\$221,300	\$144,200

Source: Data for the above table is derived from the 2000 census; no sources of updated data by census block.

\* Not applicable as 97.4% of population living in this block group resides at the Leeds Veterans Hospital.

\*\* 87% of residents in area were Smith College students, and the information included in most of the categories, except those related to age, reflect remaining 280 residents.

A map of these census blocks is attached but in general the tracts lie in and near the downtown area with the following somewhat irregular boundaries, as noted below, with an accompanying summary of area demographic and housing data:

- *Census Block #8216011*

Location: In the north King Street area in and around Barrett Street and Damon Road, West of King Street and east of Jackson Street.

Summary Description: This area has a significantly higher population of children, 25.4% as opposed to 17% for Northampton as a whole, which is also much higher than a number of the other census blocks. Conversely its proportion of seniors over 65 was relatively small, 9.4% versus 13.8% for Northampton and even lower than the other blocks. Correlated to the higher levels of children is a higher household size and lower median age. Median income is well below the City's as a whole, similar to the other census blocks, \$32,348 versus \$41,808. Particularly noteworthy is the poverty level for this block – 23.4% as opposed to 9.8% for the City. Also those earning less than \$25,000 was 41.5%, further confirming the higher concentration of lower income households. There were also more housing vacancies in this area and more than two-thirds of the housing stock was renter-occupied, much higher than the 46.5% level for the City. Only 22% of the units were single-family detached units, less than half the amount for the City, confirming a higher housing density in this area.

- *Census Block #8216025*

Location: Bounded by Bridge Street to the north, North Elm to the east, Plymouth Avenue on the south, and North Main to the west in Florence.

Summary Description: This census block also had more children, 21.4% of the population as opposed to 17% for the City, fewer young adults who represented 16.7% of all residents versus 24.4% for the City, but more middle-aged residents with 22.3% at 35 to 44 with Northampton as a whole at 15.8%. The block had 13.4% living in poverty with 42.1% with incomes of less than \$25,000, clear signals of a lower income population. The balance of rental to owner-occupied property was almost half and half, but the percentage of units in single-family dwellings was only one-third, suggesting some owner-occupied multi-family properties and condos.

- *Census Block #8217003*

Location: Leeds Veterans Administration Hospital

Summary Description: This census block primarily involves residents at the Leeds Veterans Hospital.

- *Census Block #8219022*

Location: Core of the downtown area west of Williams, above Main and Pleasant, and east of King and Bedford Terrace.

Summary Description: Children comprised only 8.8% of all residents, but were 17% citywide. Particularly noteworthy was that those 20 to 34 years of age represented 45% of the population, substantially higher than the citywide level of 24.4%, suggesting that younger people were attracted to the downtown, likely also including students. *All Roads Lead Home*, the Pioneer Valley's Plan to end homelessness, indicated that Northampton appeared to be a particular draw for homeless youth.<sup>31</sup> More than three-quarters of the households involved non-family households, related to an average household size of only 1.76 persons. The median age was relatively low at 32.2 years, also reflective of the predominance of young adults. Almost 80% of the housing stock was renter-occupied with only 10.5% in single-family detached homes. Many of the rental ads summarized in Section 3.2.4 were in fact in this area, targeted to students or

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<sup>31</sup> "All Roads Lead Home: The Pioneer Valley's Plan to End Homelessness", supported by the cities of Holyoke, Northampton and Springfield, MA, and funding from One Family, Inc. for the Pioneer Valley Committee to End Homelessness (PVCEH), February 2008.

young professionals. Nevertheless, poverty was high, at 21.7%, as was the level of those earning less than \$25,000, at 42.2%.

- *Census Block #8219023*

Location: Lower part of the downtown with boundaries including Dike Road, East Street, Olive Street, South Street, Old South Street, Conz Street, Hampton Avenue and Pleasant Street.

Summary Description: This area, also right in the downtown, shares a great deal of characteristics with Block 8219022 above, although it has a higher level of children, 12.2%, and much higher level of seniors, 16.2%, likely correlated to the amount of subsidized housing for seniors in the area. It is therefore not surprising to see a higher median age of 38.3 years as well. It also had a high level of those 21 to 34 (47.5%), higher percentage of non-family households (72.3%), small average household size (1.71 persons), high level of rentals (74%), and small level of single-family homes (15%). The poverty level was somewhat lower at 13.2%, but still higher than the City as a whole. Households earning less than \$25,000 were also higher than the City's at 38.7% versus 28.2%.

- *Census Block #8219024*

Location: North of South Street and south of Main, Green and Mill Road and area of east of where Burt Pit Road begins on the former Northampton State Hospital site.

Summary Description: The profile of this census tract is also quite similar to that of Block 8219022 given the distribution of ages, high level of non-family households, but it had an even higher level of rental units, at 85.7%, and fewer single-family homes, only 7.4% of the housing stock. The median household income was the lowest among the census blocks examined, \$26,902, and those earning less than \$25,000 was the highest at 47.4%.

- *Census Block #8220001*

Location: Area west of State Street, Green Street and West Street, north of Mill River, East of Kensington Avenue, and South of Elm Street, including the area bounded by Prospect Street and Trumbull Road.

Summary Description: This census block primarily involves residents at Smith College, who comprise 87% of all the residents in this block group. The remaining 280 residents tend to be largely renters. There were only 20 owner-occupied housing units in the area.

There is clearly a great deal of variation among these census blocks as levels of children ranged from 8.8% to 25.4% of all residents, average household size varied from 1.67 persons to 2.28, those earning under \$25,000 ranged from 26.6% to 47.4%, and the portion of the rental housing stock was as low as 39.3% to almost 80%. Nevertheless, all of these areas, with the exception of Block 8216022, included higher levels of rental units, and more non-family households and lower income households. The census tracts were located in or near the downtown, where there is greater housing density, more subsidized housing, and a greater concentration of poverty.



## **APPENDIX 2**

### **Glossary of Housing Terms**

#### **40R/40S**

State legislation that provides cash incentives to municipalities that adopt smart growth overlay districts that also increase housing production, including affordable housing (see Appendix 3 for details).

#### **Affordable Housing**

A subjective term, but as used in this Plan, refers to housing available to a household earning no more than 80% of area median income at a cost that is no more than 30% of total household income.

#### **Area Median Income (AMI)**

The estimated median income, adjusted for family size, by metropolitan area (or county in nonmetropolitan areas) that is adjusted by HUD annually and used as the basis of eligibility for most housing assistance programs. Sometimes referred to as “MFI” or median family income.

#### **Chapter 40B**

The state’s comprehensive permit law, enacted in 1969, established an affordable housing goal of 10% for every community. In communities below the 10% goal, developers of low- and moderate-income housing can seek an expedited local review under the comprehensive permit process and can request a limited waiver of local zoning and other restrictions, which hamper construction of affordable housing. Developers can appeal to the state if their application is denied or approved with conditions that render it uneconomic, and the state can overturn the local decision if it finds it unreasonable in light of the need for affordable housing.

#### **Chapter 44B**

The Community Preservation Act Enabling Legislation that allows communities, at local option, to establish a Community Preservation Fund to preserve open space, historic resources and community housing, by imposing a surcharge of up to 3% on local property taxes. The state provides matching funds from its own Community Preservation Trust Fund, generated from an increase in certain Registry of Deeds’ fees.

#### **Cluster Development**

A site planning technique that concentrates buildings in specific areas on the site to allow the remaining land to be used for other uses, most typically open space preservation. Some provisions allow density bonuses for certain conditions of development, including affordable housing.

#### **Comprehensive Permit**

Expedited permitting process for developers building affordable housing under Chapter 40B “anti-snob zoning” law. A comprehensive permit, rather than multiple individual permits from various local boards, is issued by the local zoning boards of appeals to qualifying developers (see Appendix 3 for details).

#### **Conservation Development**

A project that conserves open space, protects site features and provides flexibility in the siting of structures, services and infrastructure.

**Department of Housing and Community Development (DHCD)**

DHCD is the state's lead agency for housing and community development programs and policy. It oversees state-funded public housing, administers rental assistance programs, provides funds for municipal assistance, and funds a variety of programs to stimulate the development of affordable housing.

**Design Guidelines**

A set of discretionary standards, including design and performance criteria, developed as a public policy to guide the planning and land development.

**Easements**

The right to use property for specific purposes or to gain access to another property.

**Energy Star**

A voluntary labeling program of the US Environmental Protection Agency (EPA) and the US Department of Energy that identifies energy efficient products.

**Enhanced Single Room Occupancy**

A single person room with a private bath and/or kitchen rather than shared facilities.

**Expedited Permitting**

The state's Chapter 43D Program allows a community to gain state incentives for projects meeting certain criteria and permitted within a 180-day regulatory process.

**Fair Housing Act**

Federal legislation, first enacted in 1968, that provides the Secretary of HUD with investigation and enforcement responsibilities for fair housing practices. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status. There is also a Massachusetts Fair Housing Act, which extends the prohibition against discrimination to sexual orientation, marital status, ancestry, veteran status, children, and age. The state law also prohibits discrimination against families receiving public assistance or rental subsidies, or because of any requirement of these programs.

**Form-based Zoning**

Zoning regulations that define desired building and site characteristics but do not strictly regulate the uses.

**Green Building**

A term used to describe buildings that have been designed or retrofitted to reduce energy consumption.

**Inclusionary Zoning**

Inclusionary zoning is a zoning ordinance or bylaw that requires a developer to include affordable housing as part of a development or contribute to a fund for such housing.

**Infill Development**

Infill development is the practice of building on vacant or undeveloped parcels in dense areas, especially urban and inner suburban neighborhoods. Such development promotes compact development, which in turn allows undeveloped land to remain open and green.

**Jobs/Housing Balance**

A measure of the harmony between available jobs and housing in a specific area.

### **LEED**

Leadership in Energy and Environmental Design (LEED) is a voluntary standard for developing high performance, sustainable buildings that significantly reduce energy consumption. There are various standards, including silver, gold and platinum, which are awarded to particular properties through a certification process.

### **Local Initiative Program (LIP)**

LIP is a state program under which communities may use local resources and DHCD technical assistance to develop affordable housing that is eligible for inclusion on the state Subsidized Housing Inventory (SHI). LIP is not a financing program, but the DHCD technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. At least 25% of the units must be set-aside as affordable to households earning less than 80% of area median income (see Appendix 3 for more details).

### **MassHousing (formerly the Massachusetts Housing Finance Agency, MHFA)**

MassHousing is a quasi-public agency created in 1966 to help finance affordable housing programs. MassHousing sells both tax-exempt and taxable bonds to finance its many single-family and multi-family programs.

### **Metropolitan Statistical Area (MSA)**

The term, MSA, is also used for CMSAs (consolidated metropolitan statistical areas) and PMSAs (primary metropolitan statistical areas) that are geographic units used for defining urban areas that are based largely on commuting patterns. The federal Office of Management and Budget defines these areas for statistical purposes only, but many federal agencies use them for programmatic purposes, including allocating federal funds and determining program eligibility. HUD uses MSAs as its basis for setting income guidelines and fair market rents.

### **Mixed-Income Housing Development**

Mixed-income development includes housing for various income levels.

### **Mixed-Use Development**

Mixed-use projects combine different types of development such as residential, commercial, office, industrial and institutional into one project.

### **Overlay Zoning**

A zoning district, applied over one or more other districts that contains additional provisions for special features or conditions, such as historic buildings, affordable housing, or wetlands.

### **Planned Development**

A district or project designed to provide an alternative to the conventional suburban development standards that promote a number of important public policy benefits, often including a variety of housing, including affordable housing, and creative site design alternatives.

### **Public Housing Agency (PHA)**

A public entity that operates housing programs: includes state housing agencies (including DHCD), housing finance agencies and local housing authorities. This is a HUD definition that is used to describe the entities that are permitted to receive funds or administer a wide range of HUD programs including public housing and Section 8 rental assistance.

### **Regional Non-profit Housing Organizations**

Regional non-profit housing organizations include nine private, non-profit housing agencies, which administer the Section 8 Program on a statewide basis, under contract with DHCD. Each agency serves a wide geographic region. Collectively, they cover the entire state and administer over 15,000 Section 8 vouchers. In addition to administering Section 8 subsidies, they administer state-funded rental assistance (MRVP) in communities without participating local housing authorities. They also develop affordable housing and run housing rehabilitation and weatherization programs, operate homeless shelters, run homeless prevention and first-time homebuyer programs, and offer technical assistance and training programs for communities. HAP, Inc. serves as Northampton's regional non-profit housing organization.

### **Regional Planning Agencies (RPAs)**

These are public agencies that coordinate planning in each of thirteen regions of the state. They are empowered to undertake studies of resources, problems, and needs of their districts. They provide professional expertise to communities in areas such as master planning, affordable housing and open space planning, and traffic impact studies. With the exception of the Cape Cod and Nantucket Commissions, however, which are land use regulatory agencies as well as planning agencies, the RPAs serve in an advisory capacity only. The Pioneer Valley Planning Commission serves as Northampton's Regional Planning Agency.

### **Request for Proposals (RFP)**

A process for soliciting applications for funding when funds are awarded competitively or soliciting proposals from developers as an alternative to lowest-bidder competitive bidding.

### **Section 8**

Refers to the major federal (HUD) program – actually a collection of programs – providing rental assistance to low-income households to help them pay for housing. Participating tenants pay 30% of their income (some pay more) for housing (rent and basic utilities) and the federal subsidy pays the balance of the rent. The Program is now officially called the Housing Choice Voucher Program.

### **Single Room Occupancy (SRO)**

A building that includes single rooms for individuals that must meet a range of local code-related requirements for such properties.

### **Smart Growth**

The term used to refer to a rapidly growing and widespread movement that calls for a more coordinated, environmentally sensitive approach to planning and development. A response to the problems associated with unplanned, unlimited suburban development – or sprawl – smart growth principles call for more efficient land use, compact development patterns, less dependence on the automobile, a range of housing opportunities and choices, and improved jobs/housing balance.

### **Subsidy**

Typically refers to financial assistance that fills the gap between the costs of any affordable housing development and what the occupants can afford based on program eligibility requirements. Many times multiple subsidies from various funding sources are required, often referred to as the “layering” of subsidies, in order to make a project feasible. In the state's Local Initiative Program (LIP), DHCD's technical assistance qualifies as a subsidy and enables locally supported developments that do not require other financial subsidies to use the comprehensive permit process. Also, “internal subsidies” refers to those developments that do not have an external source(s) of funding for affordable housing, but use the value of the market units to “cross subsidize” the affordable ones.

**Subsidized Housing Inventory (SHI)**

This is the official list of units, by municipality, that count toward a community's 10% goal as prescribed by Chapter 40B comprehensive permit law.

**Sustainability**

Development that includes a balanced set of integrated principles such as social equity, environmental respect, and economic viability, which preserves a high quality of life for current occupants and future generations.

**Transfer of Development Rights (TDR)**

A program that coordinates the relocation of development from environmentally sensitive areas that should be preserved as open space to areas that can accommodate higher densities.

**Transit Oriented Development (TOD)**

Development that occurs within walking distance of public transportation, usually bus or trains, to reduce the reliance on the automobile and typically accommodate mixed uses and higher densities.

**U.S. Department of Housing and Urban Development (HUD)**

The primary federal agency for regulating housing, including fair housing and housing finance. It is also the major federal funding source for affordable housing programs.

## **APPENDIX 3**

### **Summary of Housing Regulations and Resources**

#### **I. SUMMARY OF HOUSING REGULATIONS**

##### **A. Chapter 40B Comprehensive Permit Law<sup>32</sup>**

The Massachusetts Comprehensive Permit Law, Chapter 40B Sections 20-23 of the General Laws, was enacted as Chapter 774 of the Acts of 1969 to encourage the construction of affordable housing throughout the state, particularly outside of cities. Often referred to as the Anti-Snob Zoning Act, it requires all communities to use a streamlined review process through the local Zoning Board of Appeals for “comprehensive permits” submitted by developers for projects proposing zoning and other regulatory waivers and incorporating affordable housing for at least 25% of the units. Only one application is submitted to the ZBA instead of separate permit applications that are typically required by a number of local departments as part of the normal development process. Here the ZBA takes the lead and consults with the other relevant departments (e.g., building department, planning department, highway department, fire department, sanitation department, etc.) on a single application. The Conservation Commission retains jurisdiction under the Wetlands Protection Act and Department of Environmental Protection, the Building Inspector applies the state building code, and the Board of Health enforces Title V.

For a development to qualify under Chapter 40B, it must meet all of the following requirements:

- Must be part of a “subsidized” development built by a public agency, non-profit organization, or limited dividend corporation.
- At least 25% of the units in the development must be income restricted to households with incomes at or below 80% of area median income and have rents or sales prices restricted to affordable levels income levels defined each year by the U.S. Department of Housing and Urban Development.
- Restrictions must run for minimum of 30 years or longer for new construction or for a minimum of 15 years or longer for rehabilitation. Alternatively, the project can provide 20% of the units to households below 50% of area median income. Now new homeownership must have deed restrictions that extend in perpetuity.
- Development must be subject to a regulatory agreement and monitored by a public agency or non-profit organization.
- Project sponsors must meet affirmative marketing requirements.

According to Chapter 40B regulations, the ZBA decision to deny or place conditions on a comprehensive permit project cannot be appealed by the developer if any of the following conditions are met<sup>33</sup>:

- The community has met the “statutory minima” by having at least 10% of its year-round housing stock affordable as defined by Chapter 40B, at least 1.5% of the community’s land area includes affordable housing as defined again by 40B, or annual affordable housing construction is on at least 0.3% of the community’s land area.

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<sup>32</sup> Because Northampton has more than 10% of its year-round housing stock approved as affordable by the state under the Chapter 40B guidelines, it is not currently subject to overrides of local zoning. However, if when the 2010 census becomes available, the City’s percentage dips below 10% due to a loss of affordable units (expiring use projects), these 40B regulations would come into effect.

<sup>33</sup> Section 56.03 of the new Chapter 40B regulations.

- The community has made “recent progress” adding SHI eligible housing units during the prior 12 months equal at least to 2% of its year-round housing.
- The community has a one- or two-year exemption under Housing Production.
- The application is for a “large project” that equals at least 6% of all housing units in a community with less than 2,500 housing units.
- A “related application” for the site was filed, pending or withdrawn within 12 months of the application.

If a municipality does not meet any of the above thresholds, it is susceptible to appeals by comprehensive permit applicants of the ZBA’s decision to the state’s Housing Appeals Committee (HAC). This makes the Town susceptible to a state override of local zoning if a developer chooses to create affordable housing through the Chapter 40B comprehensive permit process.<sup>34</sup> Recently approved regulations add a new requirement that ZBA’s provide early written notice (within 15 days of the opening of the local hearing) to the application and to DHCD if they intend to deny or condition the permit based on the grounds listed above that make the application appeal proof, providing documentation for its position. Under these circumstances, municipalities can count projects with approved comprehensive permits that are under legal approval, but not by the ZBA, at the time.

Applicants wishing to appeal the ZBA decision based on appeal-proof grounds must notify the ZBA and DHCD in writing within 15 days of receipt of the ZBA notice. If the applicant appeals, DHCD will review materials from the ZBA and applicant and issue a decision within 30 days of receipt of the appeal (failure to issue a decision is a construction approval of the ZBA’s position). Either the ZBA or application can appeal DHCD’s decision by filing an interlocutory appeal with the Housing appeals Committee (HAC) within 20 days of receiving DHCD’s decision. If a ZBA fails to follow this procedure, it waives its right to deny a permit on these “appeal-proof” grounds.

Recent changes to Chapter 40B also address when a community can count a unit as eligible for inclusion in the SHI including:

- *40R*  
Units receiving Plan Approval under 40R now count when the permit or approval is filed with the municipal clerk provided that no appeals are filed by the board or when the last appeal is fully resolved, similar to a Comprehensive Permit project.
- *Certificate of Occupancy*  
Units added to the SHI on the basis of receiving building permits become temporarily ineligible if the C of O is not issued within 18 months.
- *Large Phased Projects*  
If the comprehensive permit approval or zoning approval allows a project to be built in phases and each phase includes at least 150 units and average time between the start of each phase is 15

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<sup>34</sup> Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

months or less, then the entire project remains eligible for the SHI as long as the phasing schedule set forth in the permit approval continues to be met.

- *Projects with Expired Use Restrictions*  
Units become ineligible for inclusion in the SHI upon expiration or termination of the initial use restriction unless a subsequent use restriction is imposed.
- *Biennial Municipal Reporting*  
Municipalities are responsible for providing the information on units that should be included in the SHI through a statement certified by the chief executive officer.

Towns are allowed to set-aside up to 70% of the affordable units available in a 40B development for those who have a connection to the community as defined within the parameters of fair housing laws and Section III.C of the Comprehensive Permit Guidelines including residents, employees of the City of Northampton (including the school district) or employees of businesses located in the city.

While there are ongoing discussions regarding how the state should count the affordable units for the purpose of determining whether a community has met the 10% goal, in a rental project if the subsidy applies to the entire project, all units are counted towards the state standard. For homeownership projects, only the units made affordable to those households earning within 80% of median income can be attributed to the affordable housing inventory.

There are up to three stages in the 40B process – the project eligibility stage, the application stage, and at times the appeals stage. First, the applicant must apply for eligibility of a proposed 40B project/site from a subsidizing agency. Under Chapter 40B, subsidized housing is not limited exclusively to housing receiving direct public subsidies but also applies to privately-financed projects receiving technical assistance from the State through its Local Initiative Program (LIP) or through MassHousing (Housing Starts Program), Federal Home Loan Bank Board (New England Fund), MassDevelopment, and Massachusetts Housing Partnership Fund. The subsidizing agency then forwards the application to the local City Council/Board of Selectmen for a 30-day comment period. The City Council/Board of Selectmen solicits comments from Town officials and other boards and based on their review the subsidizing agency typically issues a project eligibility letter. Alternatively, a developer may approach the City Council/Board of Selectmen for their endorsement of the project, and they can make a joint application to DHCD for certification under the Local Initiative Program (for more information see description in Section I.E below).

Recent changes to 40B regulations expands the items a subsidizing agency must consider when determining site eligibility including:

- Information provided by the municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, including inclusionary zoning, multi-family districts and 40R overlay zones.
- Whether the conceptual design is appropriate for the site including building massing, topography, environmental resources, and integration into existing development patterns.
- That the land valuation, as included in the pro forma, is consistent with DHCD guidelines regarding cost examination and limitations on profits and distribution.
- Requires that LIP site approval applications be submitted by the municipality's chief executive officer.
- Specifies that members of local boards can attend the site visit conducted during DHCD's 30-day review period.



- Requires that the subsidizing agency provide a copy of its determination of eligibility to DHCD, the chief executive officer of the municipality, the ZBA and the applicant.

If there are substantial changes to a project before the ZBA issues its decision, the subsidizing agency can defer the re-determination of site/project eligibility until the ZBA issues its decision unless the chief executive officer of the municipality or applicant request otherwise. New 40B regulations provide greater detail on this re-determination process. Additionally, challenges to project eligibility determinations can only be made on the grounds that there has been a substantial change to the project that affects project eligibility requirements and leaves resolution of the challenge to the subsidizing agency.

The next stage in the comprehensive permit process is the application phase including pre-hearing activities such as adopting rules before the application is submitted, setting a reasonable filing fee, providing for technical “peer review” fees, establishing a process for selecting technical consultants, and setting forth minimum application submission requirements. Failure to open a public hearing within 30 days of filing an application can result in constructive approval. The public hearing is the most critical part of the whole application process. Here is the chance for the Zoning Board of Appeals’ consultants to analyze existing site conditions, advise the ZBA on the capacity of the site to handle the proposed type of development, and to recommend alternative development designs. Here is where the ZBA gets the advice of experts on unfamiliar matters – called peer review. Consistency of the project with local needs is the central principal in the review process.

Another important component of the public hearing process is the project economic analysis that determines whether conditions imposed and waivers denied would render the project “uneconomic”. The burden of proof is on the applicant, who must prove that it is impossible to proceed and still realize a reasonable return, which cannot be more than 20%. Another part of the public hearing process is the engineering review. The ZBA directs its consultants to analyze the consistency of the project with local bylaws and regulations and to examine the feasibility of alternative designs.

New Chapter 40B regulations now add a number of requirements related to the hearing process that include:

- The hearing must be terminated within 180 days of the filing of a complete application unless the applicant consents to extend.
- Allows communities already considering three (3) or more comprehensive permit applications to stay a hearing on additional applications if the total units under consideration meet the definition of a large project (larger of 300 units or 2% of housing in communities with 7,500 housing units as of the latest Census, 250 units in communities with 5,001 to 7,499 total units, 200 units in communities with 2,500 to 5,000 units, and 150 units or 10% of housing in communities with less than 2,500 units).
- Local boards can adopt local rules for the conduct of their hearings, but they must obtain an opinion from DHCD that there rules are consistent with Chapter 40B.
- Local boards cannot impose “unreasonable or unnecessary” time or cost burdens on an applicant and bans requiring an applicant to pay legal fees for general representation of the ZBA or other boards. The new requirements go into the basis of the fees in more detail, but as a general rule the ZBA may not assess any fee greater than the amount that might be appropriated from town or city funds to review a project of a similar type and scale.
- An applicant can appeal the selection of a consultant within 20 days of the selection on the grounds that the consultant has a conflict of interest or lack minimum required qualifications.
- Specify and limit the circumstances under which ZBA’s can review pro formas.

- Zoning waivers are only required under “as of right” requirements, not from special permit requirements.
- Forbids ZBA’s from imposing conditions that deviate from the project eligibility requirements or that would require the project to provide more affordable units than the minimum threshold required by DHCD guidelines.
- States that ZBA’s cannot delay or deny an application because a state or federal approval has not been obtained.
- Adds new language regarding what constitutes an uneconomic condition including requiring applicants to pay for off-site public infrastructure or improvements if they involve pre-existing conditions, are not usually imposed on unsubsidized housing or are disproportionate to the impacts of the proposed development or requiring a reduction in the number of units other than on a basis of legitimate local concerns (health, safety, environment, design, etc.). Also states that a condition shall not be considered uneconomic if it would remove or modify a proposed nonresidential element of a project that is not allowed by right.

After the public hearing is closed, the ZBA must set-aside at least two sessions for deliberations within 40 days of the close of the hearing. These deliberations can result in either approval, approval with conditions, or denial.

Subsidizing agencies are required to issue final project eligibility approvals following approval of the comprehensive permit reconfirming project eligibility, including financial feasibility, and approving the proposed use restriction and finding that the applicant has committed to complying with cost examination requirements. New Chapter 40B regulations set forth the basic parameters for insuring that profit limitations are enforced, while leaving the definition of “reasonable return” to the subsidizing agency in accordance with DHCD guidelines. The applicant or subsequent developer must submit a detailed financial statement, prepared by a certified public accountant, to the subsidizing agency in a form and upon a schedule determined by the DHCD guidelines.

If the process heads into the third stage – the appeals process – the burden is on the ZBA to demonstrate that the denial is consistent with local needs, meaning the public health and safety and environmental concerns outweigh the regional need for housing. If a local ZBA denies the permit, a state Housing Appeals Committee (HAC) can overrule the local decision if less than 10% of the locality’s year round housing stock has been subsidized for households earning less than 80% of median income, if the locality cannot demonstrate health and safety reasons for the denial that cannot be mitigated, or if the community has not met housing production goals based on an approved plan or other statutory minima listed above. The HAC has upheld the developer in the vast majority of the cases, but in most instances promotes negotiation and compromise between the developer and locality. In its 30-year history, only a handful of denials have been upheld on appeal. The HAC cannot issue a permit, but may only order the ZBA to issue one. Also, any aggrieved person, except the applicant, may appeal to the Superior Court or Land Court, but even for abutters, establishing “standing” in court is an uphill battle. Appeals from approvals are often filed to force a delay in commencing a project, but the appeal must demonstrate “legal error” in the decision of the ZBA or HAC.

#### **B. Housing Production Regulations**

As part of the Chapter 40B comprehensive permit regulations, the Massachusetts Department of Housing and Community Development (DHCD) is administering the Housing Production Program in accordance with regulations that enable cities and towns to do the following:

- Prepare and adopt an Housing Production Plan that demonstrates production of an increase of .05% over one year or 1.0% over two-years of its year-round housing stock eligible for inclusion

- in the Subsidized Housing Inventory (61 units and 123 units, respectively, for Northampton until the new census figures are available in 2011) for *approval* by DHCD.<sup>35</sup>
- Request *certification* of compliance with the plan by demonstrating production of at least the number of units indicated above.
  - Through local ZBA action, deny a comprehensive permit application during the period of certified compliance, which is 12 months following submission of the production documentation to DHCD, or 24 months if the 1.0% threshold is met.

For the plan to be acceptable to DHCD it must meet the following requirements:

- Include a comprehensive housing needs assessment to establish the context for municipal action based on the most recent census data. The assessment must include a discussion of municipal infrastructure include future planned improvements.
- Address a mix of housing consistent with identified needs and market conditions.
- Address the following strategies including -
  - Identification of geographic areas in which land use regulations will be modified to accomplish affordable housing production goals.
  - Identification of specific sites on which comprehensive permit applications will be encouraged.
  - Preferable characteristics of residential development such as infill housing, clustered areas, and compact development.
  - Municipally owned parcels for which development proposals will be sought.
  - Participation in regional collaborations addressing housing development.

Plans must be adopted by the City Council and Planning Board, and the term of an approved plan is five (5) years.

### **C. Chapter 40R/40S**

In 2004, the State Legislature approved a new zoning tool for communities in recognition that escalating housing prices, now beyond the reach of increasing numbers of state residents, are causing graduates from area institutions of higher learning to relocate to other areas of the country in search of greater affordability. The Commonwealth Housing Task Force, in concert with other organizations and institutions, developed a series of recommendations, most of which were enacted by the State Legislature as Chapter 40R of the Massachusetts General Laws. The key components of these regulations are that “the state provide financial and other incentives to local communities that pass Smart Growth Overlay Zoning Districts that allow the building of single-family homes on smaller lots and the construction of apartments for families at all income levels, and the state increase its commitment to fund affordable housing for families of low and moderate income”.<sup>36</sup>

The statute defines 40R as “a principle of land development that emphasizes mixing land uses, increases the availability of affordable housing by creating a range of housing opportunities in neighborhoods, takes advantage of compact design, fosters distinctive and attractive communities, preserves opens space, farmland, natural beauty and critical environmental areas, strengthens existing communities, provides a variety of transportation choices, makes development decisions predictable, fair and cost effective and

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<sup>35</sup> Massachusetts General Law Chapter 40B, 760 CMR 31.07 (1)(i).

<sup>36</sup> Edward Carman, Barry Bluestone, and Eleanor White for The Commonwealth Housing Task Force, “A Housing Strategy for Smart Growth and Economic Development: Executive Summary”, October 30, 2003, p. 3.

encourages community and stakeholder collaboration in development decisions.”<sup>37</sup> The key components of 40R include:

- Allows local option to adopt Overlay Districts near transit, areas of concentrated development, commercial districts, rural village districts, and other suitable locations;
- Allows “as-of-right” residential development of minimum allowable densities;
- Provides that 20% of the units be affordable;
- Promotes mixed-use and infill development;
- Provides two types of payments to municipalities; and
- Encourages open space and protects historic districts.

The incentives prescribed by the Task Force and passed by the Legislature include an incentive payment upon the passage of the Overlay District based on the number of projected housing units as follows:

Incentive Payments	
Incentive Units	Payments
Up to 20	\$10,000
21-100	\$75,000
101-200	\$200,000
210-500	\$350,000
501 or more	\$600,000

There are also density bonus payments of \$3,000 for each residential unit issued a building permit. To be eligible for these incentives the Overlay Districts need to allow mixed-use development and densities of 20 units per acre for apartment buildings, 12 units per acre for two and three-family homes, and at least eight units per acre for single-family homes. Communities with populations of less than 10,000 residents are eligible for a waiver of these density requirements, however significant hardship must be demonstrated. The Zoning Districts would also encourage housing development on vacant infill lots and in underutilized nonresidential buildings. The Task Force emphasizes that Planning Boards, which would enact the Zoning Districts, would be “able to ensure that what is built in the District is compatible with and reflects the character of the immediate neighborhood.”<sup>38</sup>

The principal benefits of 40R include:

- Expands a community’s planning efforts;
- Allows communities to address housing needs;
- Allows communities to direct growth;
- Can help communities meet production goals and 10% threshold under Chapter 40B;
- Can help identify preferred locations for 40B developments; and
- State incentive payments.

The formal steps involved in creating Overlay Districts are as follows:

- The Town holds a public hearing as to whether to adopt an Overlay District per the requirements of 40R;
- The Town applies to DHCD prior to adopting the new zoning;

<sup>37</sup> Massachusetts General Law, Chapter 40R, Section 11.

<sup>38</sup> “A Housing Strategy for Smart Growth and Economic Development: Executive Summary,” p. 4.

- DHCD reviews the application and issues a Letter of Eligibility if the new zoning satisfies the requirements of 40R;
- The Town adopts the new zoning through a two-thirds vote of Town Meeting subject to any modifications required by DHCD;
- The Town submits evidence of approval to DHCD upon the adoption of the new zoning; and
- DHCD issues a letter of approval, which indicates the number of incentive units and the amount of payment.

The state also enacted Chapter 40S under the Massachusetts General Law that provides additional benefits through insurance to towns that build affordable housing under 40R that they would not be saddled with the extra school costs caused by school-aged children who might move into this new housing. This funding was initially included as part of 40R but was eliminated during the final stages of approval. In effect, 40S is a complimentary insurance plan for communities concerned about the impacts of a possible net increase in school costs due to new housing development.

#### **D. Local Initiative Program (LIP) Guidelines**

The Local Initiative Program (LIP) is a technical assistance subsidy program to facilitate Chapter 40B developments and locally produced affordable units. The general requirements of LIP include insuring that projects are consistent with sustainable or smart growth development principles as well as local housing needs. LIP recognizes that there is a critical need for all types of housing but encourages family and special needs housing in particular. Age-restricted housing (over 55) is allowed but the locality must demonstrate actual need and marketability. DHCD has the discretion to withhold approval of age-restricted housing if other such housing units within the community remain unbuilt or unsold or if the age-restricted units are unresponsive to the need for family housing within the context of other recent local housing efforts.

There are two types of LIP projects, those using the comprehensive permit process, the so-called “friendly” 40B’s, and Local Action Units, units where affordability is a result of some local action such as inclusionary zoning, Community Preservation funding, other regulatory requirements, etc.

Specific LIP requirements include the following by category:

##### ***Income and Assets***

- Must be affordable to those earning at or below 80% of area median income adjusted by family size and annually by HUD. Applicants for affordable units must meet the program income limits in effect at the time they apply for the unit and must continue to meet income limits in effect when they actually purchase a unit.
- For homeownership units, the household may not have owned a home within the past three years except for age-restricted “over 55” housing.
- For homeownership projects, assets may not be greater than \$75,000 except for age-restricted housing where the net equity from the ownership of a previous house cannot be more than \$200,000.
- Income and asset limits determine eligibility for lottery participation.

***Allowable Sales Prices and Rents<sup>39</sup>***

- Rents are calculated at what is affordable to a household earning 80% of area median income adjusted for family size, assuming they pay no more than 30% of their income on housing. Housing costs include rent and payments for heat, hot water, cooking fuel, and electric. If there is no municipal trash collection a trash removal allowance should be included. If utilities are separately metered and paid by the tenant, the LIP rent is reduced based on the area's utility allowance. Indicate on the DHCD application whether the proposed rent has been determined with the use of utility allowances for some or all utilities.
- Sales prices of LIP units are set so a household earning 70% of area median income would have to pay no more than 30% of their income for housing. Housing costs include mortgage principal and interest on a 30-year fixed term mortgage at 95% of purchase price, property taxes, condo fees<sup>40</sup>, private mortgage insurance (if putting less than 20% of purchase price down), and hazard insurance.
- The initial maximum sales price or rent is calculated as affordable to a household with a number of household members equal to the number of bedrooms plus one (for example a two-bedroom unit would be priced based on what a three-person household could afford).

***Allowable Financing and Costs***

- Allowable development costs include the "as is" value of the property based on existing zoning at the time of application for a project eligibility letter (initial application to DHCD). Carrying costs (i.e., property taxes, property insurance, interest payments on acquisitions financing, etc.) can be no more than 20% of the "as is" market value unless the carrying period exceeds 24 months. Reasonable carrying costs must be verified by the submission of documentation not within the exclusive control of the applicant.
- Appraisals are required except for small projects of 20 units or less at the request of the City Council/Board of Selectmen where the applicant for the LIP comprehensive permit submits satisfactory evidence of value.
- Profits are limited to no more than 20% of total allowable development costs in homeownership projects.
- In regard to rental developments, payment of fees and profits are limited to no more than 10% of total development costs net of profits and fees and any working capital or reserves intended for property operations. Beginning upon initial occupancy and then proceeding on an annual basis, annual dividend distributions will be limited to no more than 10% of the owner's equity in the project. Owner's equity is the difference between the appraised as-built value and the sum of any public equity and secured debt on the property.
- For LIP comprehensive permit projects, DHCD requires all developers to post a bond (or a letter of credit) with the municipality to guarantee the developer's obligations to provide a satisfactory cost certification upon completion of construction and to have any excess profits, beyond what is allowed, revert back to the municipality. The bond is discharged after DHCD has determined that the developer has appropriately complied with the profit limitations.

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<sup>39</sup> DHCD has an electronic mechanism for calculating maximum sales prices on its website at [www.mass.gov/dhcd](http://www.mass.gov/dhcd).

<sup>40</sup> DHCD will review condo fee estimates and approve a maximum condo fee as part of the calculation of maximum sales price. The percentage interests assigned to the condo must conform to the approved condo fees and require a lower percentage interest assigned to the affordable units as opposed to the market rate ones. DHCD must review the Schedule of Beneficial Interests in the Master Deed to confirm that LIP units have been assigned percentage interests that correspond to the condo fees.

- No third party mortgages are allowed for homeownership units.

***Marketing and Outreach (refer to state Affirmative Fair Housing Marketing Plan guidelines dated June 25, 2008.)***

- Marketing and outreach, including lottery administration in adherence with all Fair Housing laws.
- LIP requires that the lottery draw and rank households by size.
- If there are proportionately less minority applicants in the community preference pool than the proportion in the region, a preliminary lottery must be held to boost, if possible, the proportion of minority applicants to this regional level.
- A maximum of 70% of the units may be local preference units for those who have a connection to the community as defined under state guidelines (Section C: Local Preference section of the Affirmative Fair Housing Marketing Plan Guidelines (dated June 25, 2008)).
  - The Marketing Plan must affirmatively provide outreach to area minority communities to notify them about availability of the unit(s).
  - Marketing materials must be available/application process open for a period of at least 60 days.
  - Marketing should begin about six (6) months before occupancy.
  - Lottery must be held unless there are no more qualified applicants than units available.

***Regulatory Requirements***

- The affordable units design, type, size, etc. must be the same as the market units and dispersed throughout the development.
- Units developed through LIP as affordable must be undistinguishable from market units as viewed from the exterior (unless the project has a DHCD-approved alternative development plan that is only granted under exceptional circumstances) and contain complete living facilities.
- For over 55 projects, only one household member must be 55 or older.
- Household size relationship to unit size is based on “households” = number of bedrooms plus one – i.e., a four-person household in a three-bedroom unit (important also for calculating purchase prices of the affordable units for which LIP has a formula as noted above).
- Must have deed restrictions in effect in perpetuity unless the applicant or municipality can justify a shorter term to DHCD.
- All affordable units for families must have at least two or more bedrooms and meet state sanitary codes and these minimum requirements –

1 bedroom – 700 square feet/1 bath  
2 bedrooms – 900 square feet/1 bath  
3 bedrooms – 1,200 square feet/ 1 ½ baths  
4 bedrooms – 1,400 square feet/2 baths

- Appraisals may take into account the probability of obtaining a variance, special permit or other zoning relief but must exclude any value relating to the possible issuance of a comprehensive permit.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is largely developer driven. It is based on the understanding that the developer

and Town are working together on a project that meets community needs. Minimum requirements include:

1. Written support of the municipality's chief elected official, and the local housing partnership, trust or other designated local housing entity. The chief executive officer is in fact required to submit the application to DHCD.
2. At least 25% of the units must be affordable and occupied by households earning at or below 80% of area median income or at least 20% of units restricted to households at or below 50% of area median income.
3. Affordability restrictions must be in effect in perpetuity, to be monitored by DHCD through a recorded regulatory agreement.
4. Project sponsors must prepare and execute an Affirmative Fair Housing Marketing Plan that must be approved by DHCD.
5. Developer's profits are restricted per Chapter 40B requirements.

The process that is required for using LIP for 40B developments – “friendly” comprehensive permit projects – is as follows:

1. Application process
  - Developer meets with Town
  - Developer and Town agree to proposal
  - Town chief elected officer submits application to DHCD with developer's input
2. DHCD review involves the consideration of:
  - Sustainable development criteria (redevelop first, concentrate development, be fair, restore and enhance the environment, conserve natural resources, expand housing opportunities, provide transportation choice, increase job opportunities, foster sustainable businesses, and plan regionally),
  - Number and type of units,
  - Pricing of units to be affordable to households earning no more than 70% of area median income,
  - Affirmative marketing plan,
  - Financing, and
  - Site visit.
3. DHCD issues site eligibility letter that enables the developer to bring the proposal to the ZBA for processing the comprehensive permit.
4. Zoning Board of Appeals holds hearing
  - Developer and Town sign regulatory agreement to guarantee production of affordable units that includes the price of units and deed restriction in the case of homeownership and limits on rent increases if a rental project. The deed restriction limits the profit upon resale and requires that the units be sold to another buyer meeting affordability criteria.
  - Developer forms a limited dividend corporation that limits profits.
  - The developer and Town sign a regulatory agreement.
5. Marketing
  - An Affirmative Fair Housing Marketing Plan must provide outreach to area minority communities to notify them about availability of the unit(s).
  - Local preference is limited to a maximum of 70% of the affordable units.
  - Marketing materials must be available/application process open for a period of at least 60 days.



- Lottery must be held.
6. DHCD approval must include
- Marketing plan, lottery application, and lottery explanatory materials
  - Regulatory agreement (DHCD is a signatory)
  - Deed rider (Use standard LIP document)
  - Purchase arrangements for each buyer including signed mortgage commitment, signed purchase and sale agreement and contact information of purchaser's closing attorney.

As mentioned above, in addition to being used for “friendly” 40B projects, LIP can be used for counting those affordable units as part of a Town's Subsidized Housing Inventory that are created as a result of some local action. Following occupancy of the units, a Local Action Units application must be submitted to DHCD for the units to be counted as affordable. This application is on DHCD's web site.

The contact person at DHCD is Janice Lesniak of the LIP staff (phone: 617-573-1309; fax: 617-573-1330; email: [Janice.lesniak@state.ma.us](mailto:Janice.lesniak@state.ma.us)). For resale questions contact Elsa Campbell, Housing Specialist (phone: 617-573-1321; fax: 617-573-1330; email: [elsa.campbell@state.ma.us](mailto:elsa.campbell@state.ma.us)).

#### **E. Commonwealth Capital<sup>41</sup>**

The state established Commonwealth Capital as a policy that encourages communities to implement smart growth by utilizing the smart growth consistency of municipal land use regulations as part of the evaluation of proposals for state funding under a number of state capital spending programs. Those municipalities with higher scores, will be in a more competitive position for receiving state discretionary funding, not just for housing, but for other purposes including infrastructure, transportation, environment, economic development, etc. The state's goal is to invest in projects that are consistent with Sustainable Development Principles that include:

1. Redevelop first;
2. Concentrate development;
3. Be fair;
4. Restore and enhance the environment;
5. Conserve natural resources;
6. Expand housing opportunities;
7. Provide transportation choice;
8. Increase job opportunities;
9. Foster sustainable businesses; and
10. Plan regionally.

Applications can be submitted at any time and will be valid for the programs listed above throughout the current fiscal year. Communities should submit applications prior to the deadline for any Commonwealth Capital program to which they are applying to ensure that their score will count. Applications should be submitted electronically, and each community is assigned its own login and password.

Programs which are affected by Commonwealth Capital include the following that are operated by the Executive Office of Administration and Finance (EOAF), Executive Office of Energy and

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<sup>41</sup> This program was created by the Romney administration and coordinated by the Office of Commonwealth Development. While OCD has been disbanded, applications are still being accepted

Environmental Affairs (EOEEA), Executive Office of Housing and Economic Development (EOHED), Executive Office of Transportation and Public Works (EOTPW), Coastal Zone Management (CZM), Massachusetts Office of Business Development (MOBD), Massachusetts Office of Relocation and Expansion (MORE), and the Department of Housing and Community Development (DHCD):

- Public Works Economic Development Program (EOTPW)
  - Bike and Pedestrian Program (EOTPW)\*
  - Transit Oriented Development Bond Program (EOTPW)
  - Community Development Action Grant Program (EOHED and DHCD)
  - State Revolving Fund (EOEEA and DEP)
  - Urban Brownfields Assessment Program (EOEEA)\*
  - Urban Self-Help Program (EOEEA and DCS)
  - Drinking Water Supply Protection Grant Program (EOEEA)
  - Urban River Visions Program (EOEEA)\*
  - Coastal Pollutant Remediation Grant Program (EOEEA and CZM)
  - Coastal Nonpoint Source Pollution Grant Program (EOEEA and CZM)
  - Off-Street Parking Program (EOAF)
  - Smart Growth Technical Assistance Program (for this program EOEEA will use inverse Commonwealth Capital scores. Unlike the other 13 programs, a primary goal of this program is to help communities with low scores improve.)
- \* Indicates programs that are eliminated in proposed program changes.

Draft changes to Commonwealth Capital add the following programs:

- Small Town Road Assistance Program (EOTPW)
- MA Opportunity Relocation and Expansion (MORE)
- Jobs Capital Program (MOBD)
- Water Transportation Capital Funding Program (EOTPW)
- Alternative Energy Property Program (EOEEA-DOER)

The application involves a maximum score of 140 points, including bonus points. The Commonwealth Capital score will account for 30% of the possible application points for any of the Commonwealth Capital programs, the other 70% points related to the purpose of the particular program and the merits of the proposed project. Communities receive points for zoning, planning, housing, environmental, energy, transportation, and other measures that already exist as well as measures they commit to implement by the end of 2009 (for this year's application). Additionally, communities can receive bonus points for successfully implementing commitments made in their 2008 applications.

The major components of the proposed Commonwealth Capital application and corresponding total point allocations are provided below:

- Plan for and promote livable communities and plan regionally (19)
- Zone for and permit concentrated development and mixed use (26)
- Expand housing opportunities (21)
- Make efficient decisions and increase job and business opportunities (12)
- Protect land and ecosystems (21)
- Use natural resources wisely (7)

- Promote clean energy (9)
- Provide transportation choice (9)
- Advance equity (6)
- Promote sustainable development via other actions (10)
- Bonus points for every prior fiscal year commitment implemented

A greater number of points are granted for actions that are already in place but points are also issued for commitments that have not yet been implemented. **It should be noted that Northampton has among the highest Commonwealth Capital scores in the state.**

## II. SUMMARY OF HOUSING RESOURCES

Those programs that may be most appropriate to development activity in Northampton are described below.<sup>42</sup>

### A. Technical Assistance

#### 1. *Priority Development Fund*<sup>43</sup>

A relatively new state-funded initiative, the Priority Development Fund, provides planning assistance to municipalities for housing production. In June 2004, DHCD began making \$3 million available through this Fund on a first-come, first-served basis to encourage the new production of housing, especially mixed-income rental housing. PDF assistance supports a broad range of activities to help communities produce housing. Applications must demonstrate the community's serious long-term commitment and willingness to increase its housing supply in ways that are consistent with the Commonwealth's principles of sustainable development.

Eligible activities include community initiated activities and implementation activities associated with the production of housing on specific sites. Community initiated activities include but are not limited to:

Zoning activities that support the program objectives include:

- Incentive zoning provisions to increase underlying housing density;
- Smart Growth Zoning Overlay Districts;
- Inter- and intra-municipal Transferable Development Rights proposals;
- Zoning that promotes compact housing and development such as by right multi-family housing, accessory apartment units, clustered development, and inclusionary zoning;
- Zoning provisions authorizing live-and-work units, housing units for seasonal employees, mixed assisted living facilities and the conversion of large single-family structures, vacant mills, industrial buildings, commercial space, a school or other similar facilities, into multi-family developments; and
- Other innovative zoning approaches developed by and for an individual community.

Education and outreach efforts that support the program objectives include:

- Establishment of a local or regional affordable housing trust;
- Development of a plan of action for housing activities that will be undertaken with Community Preservation Act funds; and

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<sup>42</sup> Program information was gathered through agency brochures, agency program guidelines and application materials as well as the following resources: Verrilli, Ann. Housing Guidebook for Massachusetts. Produced by the Citizen's Housing and Planning Association, June 1999.

<sup>43</sup> Description taken from the state's program description.

- Efforts to build local support (grass-root education) necessary to achieve consensus or approval of local zoning initiatives.

Implementation activities associated with the production of housing in site-specific areas include but are not limited to:

- Identification of properties, site evaluation, land assembly and financial feasibility analysis; and
- Development of a Request for Proposal (RFP) for the disposition of land.

The PDF assistance is not available to serve as a substitute for pre-development assessment of alternative development scenarios for parcels already controlled by an identified private developer or to supplant municipal funds to pay staff salaries.

Eligible applicants consist of cities and towns within the Commonwealth. Municipalities may enter into third party agreements with consultants approved by DHCD, however only a municipality will be allowed to enter into a contract with MassHousing regarding the distribution of funds. Municipalities will be responsible for attesting that all funds have been expended for their intended purposes.

Joint applications involving two or more communities within a region or with similar housing challenges are strongly encouraged as a way to leverage limited resources, however, one municipality will be required to serve as the lead.

MassHousing and DHCD reserve the right to screen applications and to coordinate requests from communities seeking similar services. For example, rural communities may be more effectively served by an application for a shared consultant who can work with numerous towns to address zoning challenges that enhance housing production. Likewise, it may be more effective to support an application for a consultant to review model zoning bylaws or overlay districts with a number of interested communities with follow-up at the community level to support grassroots education, than it is to support the separate development of numerous zoning bylaws. Communities submitting multiple applications must prioritize their applications.

In exchange for the assistance, municipalities must agree to share the end product of the funded activities with DHCD and MassHousing and with other communities in the Commonwealth through reports, meetings, workshops, and to highlight these activities in print, on the web or other media outlets.

The agencies will focus the evaluation of applications to determine overall consistency with program goals and the principles of sustainable development. Applications will be evaluated based on:

- Eligibility of activity;
- Public support;
- Demonstrated need for funds;
- Likelihood activity will result in production of housing;
- Reasonableness of the timeline;
- Readiness to proceed with proposed project;
- Capacity to undertake activity;
- Cost estimates and understanding of the proposed project cost;
- Proposed activity having clearly defined benefits that will result in the production of housing; and
- Benefits being realized within a 2-3 year-timeframe.

Applications for funding will be accepted and evaluated on a rolling review basis. In order to deploy this assistance as effectively and efficiently as possible, or in the event the planning funds are oversubscribed,

communities that have relatively greater planning capacity and/or resources may be requested to provide some matching funds. Additional consideration and flexibility for the assistance will be made for communities with little or no planning staff capacity or resources.

Communities may apply to DHCD for assistance of up to \$50,000. The amount of funds awarded will be a reflection of the anticipated impact on housing production. DHCD and MassHousing reserve the right to designate proposals as “Initiatives of Exceptional Merit,” in order to increase the amount of assistance and scope of services for certain projects.

## **2. *Peer to Peer Technical Assistance***

This state program utilizes the expertise and experience of local officials from one community to provide assistance to officials in another comparable community to share skills and knowledge on short-term problem solving or technical assistance projects related to community development and capacity building. Funding is provided through the Community Development Block Grant Program and is limited to grants of no more than \$1,000, providing up to 30 hours of technical assistance.

Applications are accepted on a continuous basis, but funding is limited. To apply, a municipality must provide DHCD with a brief written description of the problem or issue, the technical assistance needed and documentation of a vote of the City Council/Board of Selectmen or letter from the Mayor/Town Administrator supporting the request for a peer. Communities may propose a local official from another community to serve as the peer or ask DHCD for a referral. If DHCD approves the request and once the peer is recruited, DHCD will enter into a contract for services with the municipality. When the work is completed to the municipality’s satisfaction, the municipality must prepare a final report, submit it to DHCD, and request reimbursement for the peer.

## **3. *MHP Intensive Community Support Team***

The Massachusetts Housing Partnership Fund is a quasi-public agency that offers a wide range of technical and financial resources to support affordable housing. The Intensive Community Support Team provides sustained, in-depth assistance to support the development of affordable housing. Focusing on housing production, the Team helps local advocates move a project from the conceptual phase through construction, bringing expertise and shared lessons from other parts of the state. The team can also provide guidance on project finance. Those communities, which are interested in this initiative, should contact the MHP Fund directly for more information.

## **4. *MHP Chapter 40B Technical Assistance Program***

Working with DHCD, MHP launched this program in 1999 to provide technical assistance to those communities needing assistance in reviewing comprehensive permit applications. The Program offers up to \$10,000 in third-party technical assistance to enable communities to hire consultants to help them review Chapter 40B applications. Those communities that are interested in this initiative should contact the MHP Fund directly for more information.

MHP recently announced new guidelines to help cities and towns review housing development proposals under Chapter 40B including:

- State housing agencies will now appraise and establish the land value of 40B sites before issuing project eligibility letters.
- State will put standards in place for determining when permit conditions make a 40B development “uneconomic”.
- There will be set guidelines on determining related-party transactions, i.e., when a developer may also have a role as contractor or realtor.

- Advice on how to identify the most important issues early and communicate them to the developer, how informal work sessions can be effective, and how to make decisions that are unlikely to be overturned in court.

#### **5. *Smart Growth Technical Assistance Grants***

The state recently announced the availability of *Smart Growth Technical Assistance Grants* from the Executive Office of Environmental Affairs that provides up to \$30,000 per community to implement smart growth zoning changes and other activities that will improve sustainable development practices and increase scores on the Commonwealth Capital application. Eligible activities include:

- Zoning changes that implement planning recommendations;
- Development of mixed-use zoning districts;
- Completion of Brownfields inventory or site planning;
- Implementation of stormwater BMPs;
- Completion of Open Space Residential Design bylaws/ordinances;
- Implementation of Low Impact Development (LID) bylaws/ordinances; and
- Development of a Right-to-Farm bylaw/ordinance or zoning protections for agricultural preservation.

The state requires that localities provide a match of 15% of this special technical assistance fund and encourages communities that are interested in the same issues to apply jointly. Preference will be given to applications that improve sustainable development practices, realize a commitment from a community's Commonwealth Capital application, and implement a specific Community Development or Master Plan action. Additional preference will be offered those communities with lower Commonwealth Capital scores to support towns that have the greatest need for improved land use practices. For FY 2006, applications were due in mid-August for projects that must be completed by June 30, 2006, but no applications were required in FY 2006 if one had been submitted previously. Nevertheless, communities are able to submit supplemental information that will likely help boost their scores and competitiveness for state discretionary resources.

#### **B. Housing Development**

While comprehensive permits typically do not involve external public subsidies but use internal subsidies by which the market units in fact subsidize the affordable ones, communities are finding that they also require public subsidies to cover the costs of affordable or mixed-income residential development and need to access a range of programs through the state and federal government and other financial institutions to accomplish their objectives and meet affordable housing goals. Because the costs of development are typically significantly higher than the rents or purchase prices that low- and moderate-income tenants can afford, multiple layers of subsidies are often required to fill the gaps. Sometimes even Chapter 40B developments are finding it useful to apply for external subsidies to increase the numbers of affordable units, to target units to lower income or special needs populations, or to fill gaps that market rates cannot fully cover.

The state requires applicants to submit a One Stop Application for most of its housing subsidy programs in an effort to standardize the application process across agencies and programs. A Notice of Funding Availability (NOFA) is issued by the state usually twice annually for its rental programs and homeownership initiatives. Using the One Stop Application, applicants can apply to several programs simultaneously to support the funding needs of a particular project.

### **1. HOME Program**

HUD created the HOME Program in 1990 to provide grants to states, larger cities and consortia of smaller cities and towns to do the following:

- Produce rental housing;
- Provide rehabilitation loans and grants, including lead paint removal and accessibility modifications, for rental and owner-occupied properties;
- Offer tenant-based rental assistance (two-year subsidies); and/or
- Assist first-time homeowners.

The HOME Program funding is targeted to homebuyers or homeowners earning no more than 80% of median income and to rental units where at least 90% of the units must be affordable and occupied by households earning no more than 60% of median income, the balance to those earning within 80% of median. Moreover, for those rental projects with five or more units, at least 20% of the units must be reserved for households earning less than 50% of median income. In addition to income guidelines, the HOME Program specifies the need for deed restrictions, resale requirements, and maximum sales prices or rentals.

The HOME Rental Program is targeted to the acquisition and rehabilitation of multi-family distressed properties or new construction of multi-family rental housing from five to fifty units. Once again, the maximum subsidy per project is \$750,000 and the maximum subsidy per unit in localities that receive HOME or CDBG funds directly from HUD is \$50,000 (these communities should also include a commitment of local funds in the project). Subsidies are in the form of deferred loans at 0% interest for 30 years. State HOME funding cannot be combined with another state subsidy program with several exceptions including the Low Income Housing Tax Credits, HIF and the Soft Second Program.

Unlike most cities, Northampton does not receive an annual allocation of HOME funding and must apply to the state for individual programs or projects.

### **2. Community Development Block Grant Program (CDBG)**

Northampton does receive an annual allocation of CDBG funding, approximately \$750,000,<sup>44</sup> that provides substantial assistance for housing activities. While some CDBG funding was used in the past to support a housing rehab program, little CDBG assistance has been targeted to housing activities in recent years.

### **3. Housing Stabilization Fund (HSF)**

The state's Housing Stabilization Fund (HSF) was established in 1993 through a Housing Bond bill to support housing rehabilitation through a variety of housing activities including homeownership (most of this funding has been allocated for the MHP Soft Second Program) and rental project development. The state subsequently issued additional bond bills to provide more funding. The HSF Rehabilitation Initiative is targeted to households with incomes within 80% of median income, with resale or subsequent tenancy for households within 100% of median income. The funds can be used for grants or loans through state and local agencies, housing authorities and community development corporations with the ability to subcontract to other entities. The funds have been used to match local HOME program funding, to fund demolition, and to support the acquisition and rehabilitation of affordable housing. In addition to a program directed to the rehabilitation of abandoned, distressed or foreclosed properties, the HSF provides funds to municipalities for local revitalization programs directed to the creation or preservation of rental projects. As with HOME, the maximum amount available per project is \$750,000 and the

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<sup>44</sup> In FY10, Northampton received an allocation of \$756,801 plus an additional one-time allocation of \$201,513 in stimulus funds.

maximum per unit is \$65,000 for communities that do not receive HOME or CDBG funds directly from HUD, and \$50,000 for those that do. Communities can apply for HSF funding biannually through the One Stop Application.

#### **4. *Low Income Housing Tax Credit Program***

The Low Income Housing Tax Credit Program was created in 1986 by the Federal Government to offer tax credits to investors in housing development projects that include some low-income units. The tax credit program is often the centerpiece program in any affordable rental project because it brings in valuable equity funds. Tax credits are either for 4% or 9% of the development or rehab costs for each affordable unit for a ten-year period. The 4% credits have a present value of 30% of the development costs, except for the costs of land, and the 9% credit have a present value equal to 70% of the costs of developing the affordable units, with the exception of land. Both the 4% and 9% credits can be sold to investors for close to their present values.

The Federal Government limits the 9% credits and consequently there is some competition for them, nevertheless, most tax credit projects in Massachusetts are financed through the 9% credit. Private investors, such as banks or corporations, purchase the tax credits for about 80 cents on the dollar, and their money serves as equity in a project, reducing the amount of the debt service and consequently the rents. The program mandates that at least 20% of the units must be made affordable to households earning within 50% of median income or 40% of the units must be affordable to households earning up to 60% of median income. Those projects that receive the 9% tax credits must produce much higher percentages of affordable units.

The Massachusetts Legislature has enacted a comparable state tax credit program, modeled after the federal tax credit program. The One Stop Application is also used to apply for this source of funding.

#### **5. *Affordable Housing Trust Fund***

The Affordable Housing Trust Fund (AHTF) was established by an act of the State Legislature and is codified under Chapter 121-D of the Massachusetts General Laws. The AHTF operates out of DHCD and is administered by MassHousing with guidance provided by an Advisory Committee of housing advocates. The purpose of the fund is to support the creation/preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income. The AHTF can be used to support the acquisition, development and/or preservation of affordable housing units. AHTF assistance can include:

- Deferred payment loans, low/no-interest amortizing loans.
- Down payment and closing cost assistance for first-time homebuyers.
- Credit enhancements and mortgage insurance guarantees.
- Matching funds for municipalities that sponsor affordable housing projects.
- Matching funds for employer-based housing and capital grants for public housing.

Funds can be used to build or renovate new affordable housing, preserve the affordability of subsidized expiring use housing, and renovate public housing. While the fund has the flexibility of serving households with incomes up to 110%, preferences for funding will be directed to projects involving the production of new affordable units for families earning below 80% of median income. The program also includes a set-aside for projects that serve homeless households or those earning below 30% of median income. Once again, the One Stop Application is used to apply for funding, typically through the availability of two funding rounds per year.



**6. *Housing Innovations Fund (HIF)***

The state also administers the Housing Innovations Fund (HIF) that was created by a 1987 bond bill and expanded under two subsequent bond bills to provide a 5% deferred loan to non-profit organizations for no more than \$500,000 per project or up to 30% of the costs associated with developing alternative forms of housing including limited equity coops, mutual housing, single-room occupancy housing, special needs housing, transitional housing, domestic violence shelters and congregate housing. At least 25% of the units must be reserved for households earning less than 80% of median income and another 25% for those earning within 50% of area median income. HIF can also be used with other state subsidy programs including HOME, HSF and Low Income Housing Tax Credits. The Community Economic Development Assistance Corporation (CEDAC) administers this program. Applicants are required to complete the One-Stop Application.

**7. *Federal Home Loan Bank Board's Affordable Housing Program (AHP)***

Another potential source of funding for both homeownership and rental projects is the Federal Home Loan Bank Board's Affordable Housing Program (AHP) that provides subsidies to projects targeted to households earning between 50% and 80% of median income, with up to \$300,000 available per project. This funding is directed to filling existing financial gaps in low- and moderate-income affordable housing projects. There are typically two competitive funding rounds per year for this program.

**8. *MHP Permanent Rental Financing Program***

The state also provides several financing programs for rental projects through the Massachusetts Housing Partnership Fund. The Permanent Rental Financing Program provides long-term, fixed-rate permanent financing for rental projects of five or more units from \$100,000 loans to amounts of \$2 million. At least 20% of the units must be affordable to households earning less than 50% of median income or at least 40% of the units must be affordable to households earning less than 60% of median income or at least 50% of the units must be affordable to households earning less than 80% of median income. MHP also administers the Permanent Plus Program targeted to multi-family housing or SRO properties with five or more units where at least 20% of the units are affordable to households earning less than 50% of median income. The program combines MHP's permanent financing with a 0% deferred loan of up to \$40,000 per affordable unit up to a maximum of \$500,000 per project. No other subsidy funds are allowed in this program. The Bridge Financing Program offers bridge loans of up to eight years ranging from \$250,000 to \$5 million to projects involving Low Income Housing Tax Credits. Applicants should contact MHP directly to obtain additional information on the program and how to apply.

**9. *OneSource Program***

The Massachusetts Housing Investment Corporation (MHIC) is a private, non-profit corporation that since 1991 has provided financing for affordable housing developments and equity for projects that involve the federal Low Income Housing Tax Credit Program. MHIC raises money from area banks to fund its loan pool and invest in the tax credits. In order to qualify for MHIC's OneSource financing, the project must include a significant number of affordable units, such that 20% to 25% of the units are affordable to households earning within 80% of median income. Interest rates are typically one point over prime and there is a 1% commitment fee. MHIC loans range from \$250,000 to several million, with a minimum project size of six units. Financing can be used for both rental and homeownership projects, for rehab and new construction, also covering acquisition costs with quick turn-around times for applications of less than a month (an appraisal is required). The MHIC and MHP work closely together to coordinate MHIC's construction financing with MHP's permanent take-out through the OneSource Program, making their forms compatible and utilizing the same attorneys to expedite and reduce costs associated with producing affordable housing.

**10. Section 8 Rental Assistance (Housing Choice Voucher Program)**

An important low-income housing resource is the Section 8 Program that provides rental assistance to help low- and moderate-income households pay their rent. In addition to the federal Section 8 Program, the state also provides rental subsidies through the Massachusetts Rental Voucher Program as well as three smaller programs directed to those with special needs. These rental subsidy programs are administered by the state or through local housing authorities and regional non-profit housing organizations. Rent subsidies take two basic forms – either granted directly to tenants or committed to specific projects through special Project-based rental assistance. Most programs require households to pay a minimum percentage of their adjusted income (typically 30%) for housing (rent and utilities) with the government paying the difference between the household's contribution and the actual rent.

**11. Massachusetts Preservation Projects Fund**

The Massachusetts Preservation Projects Fund (MPPF) is a state-funded 50% reimbursable matching grant program that supports the preservation of properties, landscapes, and sites (cultural resources) listed in the State Register of Historic Places. Applicants must be municipality or non-profit organization. Funds can be available for pre-development including feasibility studies, historic structure reports and certain archaeological investigations of up to \$30,000. Funding can also be used for construction activities including stabilization, protection, rehabilitation, and restoration or the acquisition of a state-registered property that are imminently threatened with inappropriate alteration or destruction. Funding for development and acquisition projects range from \$7,500 to \$100,000. Work completed prior to the grant award, routine maintenance items, mechanical system upgrades, renovation of non-historic spaces, moving an historic building, construction of additions or architectural/engineering fees are not eligible for funding or use as the matching share. A unique feature of the program allows applicants to request up to 75% of construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. A round of funding was recently held, but future rounds are not authorized at this time.

**12. District Improvement Financing Program (DIF)**

The District Improvement Financing Program (DIF) is administered by the state's Office of Business Development to enable municipalities to finance public works and infrastructure by pledging future incremental taxes resulting from growth within a designated area to service financing obligations. This Program, in combination with others, can be helpful in developing or redeveloping target areas of a community, including the promotion of mixed-uses and smart growth. Municipalities submit a standard application and follow a prescribed application process directed by the Office of Business Development in coordination with the Economic Assistance Coordinating Council.

**13. Urban Center Housing Tax Increment Financing Zone (UCH-TIF)**

The Urban Center Housing Tax Increment Financing Zone Program (UCH-TIF) is a relatively new state initiative designed to give cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing that provides a real estate tax exemption on all or part of the increased value (the "increment") of the improved real estate. The development must be primarily residential and this program can be combined with grants and loans from other local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing for households earning at or below 80% of area median income and requires that 25% of new housing to be built in the zone be affordable, although the Department of Housing and Community Development may approve a lesser percentage where necessary to insure financial feasibility. In order to take advantage of the program, a municipality needs to adopt a detailed UCH-TIF Plan and submit it to DHCD for approval.

**14. Community Based Housing Program**

The Community Based Housing Program provides loans to nonprofit agencies for the development or redevelopment of integrated housing for people with disabilities in institutions or nursing facilities or at risk of institutionalization. The Program provides permanent, deferred payment loans for a term of 30 years, and CBH funds may cover up to 50% of a CHA unit's Total Development Costs up to a maximum of \$750,000 per project.

**C. Homebuyer Financing and Counseling**

**1. *Soft Second Loan Program***

The Massachusetts Housing Partnership Fund, in coordination with the state's Department of Housing and Community Development, administers the Soft Second Loan Program to help first-time homebuyers purchase a home. The Program began in 1991 to help families earning up to 80% of median income qualify for a mortgage through a graduated-payment second mortgage and down payment assistance. Just recently the state announced that it had lent \$1 billion in these affordable mortgages. Participating lenders originate the mortgages which are actually split in two with a conventional first mortgage based on 77% of the purchase price, the soft second mortgage for typically about 20% of the purchase price (or \$20,000 if greater) and a requirement from the buyer of at least a 3% down payment. Borrowers do not need to purchase private mortgage insurance that would typically be required with such a low down payment, thus saving the buyer significant sums on a monthly basis. Program participants pay interest only on the soft second mortgage for the first ten years and some eligible buyers may qualify for an interest subsidy on the second mortgage as well. Additionally, some participating lenders and communities offer grants to support closing costs and down payments and slightly reduced interest rates on the first mortgage. Northampton is already a participating community in the Program.

**2. *American Dream Downpayment Assistance Program***

The American Dream Downpayment Assistance Program is also awarded to municipalities or non-profit organizations on a competitive basis to help first-time homebuyers with down payments and closing costs. While the income requirements are the same as for the Soft Second Program, the purchase price levels are higher based on the FHA mortgage limits. Deferred loans for the down payment and closing costs of up to 5% of the purchase price to a maximum of \$10,000 can be made at no interest and with a five-year term, to be forgiven after five years. Another loan can be made through the program to cover deleading in addition to the down payment and closing costs, but with a ten-year term instead, with at least 2.5% of the purchase price covering the down payment.

**3. *Homebuyer Counseling***

There are a number of programs, including the Soft Second Loan Program and MassHousing's Home Improvement Loan Program, as well as Chapter 40B homeownership projects, that require purchasers to attend homebuyer workshops sponsored by organizations that are approved by the state, Citizens Housing and Planning Association (CHAPA) and/or HUD as a condition of occupancy. These sessions provide first-time homebuyers with a wide range of important information on homeownership finance and requirements. The organization that offers these workshops in closest proximity to Northampton include the Valley CDC and HAP, Inc.

**4. *Self-Help Housing.***

Self-Help programs involve sweat-equity by the homebuyer and volunteer labor of others to reduce construction costs. Some communities have donated building lots to Habitat for Humanity to construct affordable single housing units. Under the Habitat for Humanity program, homebuyers contribute between 300 and 500 hours of sweat equity while working with volunteers from the community to construct the home. The homeowner finances the home with a 20-year loan at 0% interest. As funds are paid back to Habitat for Humanity, they are used to fund future projects.

**D. Home Improvement Financing**

**1. *MassHousing Home Improvement Loan Program (HLP)***

The MHFA Home Improvement Loan Program (HILP) is targeted to one- to four-unit, owner-occupied properties, including condominiums, with a minimum loan amount of \$10,000 up to a maximum of \$50,000. Loan terms range from five to 20 years based on the amount of the loan and the borrower's income and debt. MassHousing services the loans. Income limits are \$92,000 for households of one or two persons and \$104,000 for families of three or more persons. To apply for a loan, applicants must contact a participating lender.

**2. *Get the Lead Out Program***

MassHousing's Get the Lead Out Program offers 100% financing for lead paint removal on excellent terms that are based on ownership status and type of property. An owner-occupied, single-family home may be eligible to receive a 0% deferred payment loan up to \$20,000 that is due when the house is sold, transferred or refinanced. An owner-occupant of a two-family house could receive up to \$25,000 to conduct the de-leading work. Maximum income limits for owner-occupants are \$74,400 for one and two-person households and \$85,500 for three or more persons. Investor-owners can also participate in the program but receive a 5% fully amortizing loan to cover costs. Non-profit organizations that rent properties to income-eligible residents are also eligible for 0% fully amortizing loans that run from five to 20 years. Applicants must contact a local rehabilitation agency to apply for the loan.

**3. *Septic Repair Program***

Through a partnership with the Massachusetts Department of Environmental Protection and Revenue, MassHousing offers loans to repair or replace failed or inadequate septic systems for qualifying applicants. The interest rates vary according to the borrower's income with 0% loans available to one and two-person households earning up to \$23,000 and three or more person households earning up to \$26,000 annually. There are 3% loans available for those one or two person households earning up to \$46,000 and three or more persons earning up to \$52,000. Additionally, one to four-family dwellings and condominiums are eligible for loan amounts of up to \$25,000 and can be repaid in as little as three years or over a longer period of up to 20 years. To apply for a loan, applicants must contact a participating lender.

**E. Homelessness Prevention and Assistance Programs**

Homelessness prevention has been identified as a priority housing need in the Housing Needs Assessment. Programs to prevent homeless include but are not limited to the following:

**1. *Rental Assistance to Families (RAFT)***

The Residential Assistance to Families (RAFT) program, funded by DHCD, offers short-term financial help or other assistance to families who are homeless or seriously at-risk of homelessness. Families can get up to \$3,000 for such items as rent, mortgage payments, security deposits, utility start-up costs, first/last month's rent, moving expenses, etc.

**2. *Tenancy Preservation Program (TPP)***

The Tenancy Preservation Program (TPP) is administered by MassHousing to prevent homelessness among persons with disabilities. The Program acts as a neutral party between the landlord and tenant, also providing clinical consultation services to the Housing Court. TPP clinicians assess the reasons for the eviction, identify needed services, develop a treatment plan to maintain tenancy, and monitor the case. If the tenancy cannot be preserved, TPP coordinates the tenant's transition to a more appropriate placement, preventing homelessness to the greatest extent possible.

**3. *Homelessness Prevention and Rapid Re-Housing Program (HPRP)***

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) was enacted by the federal government as part of the Recovery Act to help persons affected by the current economic crisis to provide homelessness prevention assistance to households who would likely otherwise become homeless and to rapidly re-house persons who are homeless. HUD allows grantees to develop prevention and/or rapid re-housing programs that meet locally-defined needs, to be targeted and prioritized to serve those most in need. This program is not a mortgage assistance program but meant to provide temporary assistance for such items as utility costs, moving costs, security deposits and rent in a new unit, storage fees, and other financing costs or services.

**4. *HUD Homeless Assistance Grants/McKinney-Vento Appropriations***

HUD's Homeless Assistance Grants, funded through McKinney-Vento appropriations, support a variety of programs and activities, largely distributed through the Continuum of Care process, with the Emergency Shelter Grants Program for example, funded separately. Homelessness providers in specific geographic areas, the Three-County area in the case of Northampton's Continuum of Care, work together to identify their needs and rank projects that they want to fund. HUD then ranks the applications and makes funding decisions. Funds can be used for permanent and supportive housing, transitional housing, and services.

## **APPENDIX 4**

### **Future Land Use Map**

The following map, prepared by the City's Office of Planning and Development in 2007, provides direction for "smart growth" future development patterns. For example, it identifies areas in Northampton where future development should be more concentrated, including the downtown, village areas and along commercial nodes, as opposed to sections of the city that are permanently protected or should be conserved as open space. The map further provides the locations of specific types of land uses including residential or traditional neighborhood areas; mixed-use areas; and areas zoned for business, industrial, and institutional uses and even combined live-work units.

The map, included in the City's Sustainable Northampton Plan, provides the main framework for implementing the following land use objectives:

1. Ask for creative designs and cluster developments that allow higher density to improve the yield of housing in the downtown and village centers.
2. Encourage mixed-use development in both residential and commercial areas such as Florence Center, the Village of Leeds, Bay State, Hospital Hill and satellite commercial areas.
3. Before developing rural areas, and after allowing for green space within densely developed areas, encourage infill development of vacant and underutilized land in around the downtown and in existing denser developed areas.
4. Match the pace of new housing development with the growth in capacities of public infrastructure, public safety, public health, and social services.
5. Locate housing within walking distances along safe paths, or with bicycle access, to and from neighborhood commercial areas, parks and recreation, schools, and public transportation.

